What is Demand-Driven?

Discover New Levels of Precision and Visibility in Demand Planning and Product Availability.

Start Leading. Stop Chasing Demand

Today's consumer is changing how they shop. Consumers have access to endless input, decide in moments and act in seconds; yet many retail, ecommerce and distribution companies take weeks to plan and respond to consumer demand. Manufacturers are even further separated from consumers, ultimately resulting in mis-aligned inventories, dissatisfied shoppers, and lost sales & profit.

Leaders in retail are seeking to become demand-driven. They're employing processes and technologies that can better connect the supply chain in a way that creates, predicts and responds to customer engagement.

While most companies are chasing demand, some of the best are not only responding quickly to changing consumer preferences, but also shaping demand, while pre-emptively positioning inventory to capitalize on what they know about the consumer. This has far-reaching impacts on their enterprise and supplier community, not to mention the top and bottom-line.

Retailers are working harder to shape demand, but few close the loop to assure product is available where demand is driven. The results are lost sales and disappointed consumers.

In this newsletter we explore what it means to be demand-driven, why it is more important to retailers today than ever, and how new capabilities in forecasting, analytics, planning, replenishment, and allocation capitalize on the demand-driven approach to create a more predictive, effective and profitable supply chain.

Featuring research from

Gartner.

What is Demand-Driven?

Demand-driven refers to the supply chain management method that forecasts demand from the furthest downstream source, the consumer, and translates that throughout the supply chain into meaningful demand projections for stores and DCs, and even further upstream to manufacturers and suppliers.

The demand-driven approach uses the most precise demand data at the SKU, location, and consumer level to project future orders at all tiers of the supply chain – delivering greater product availability to the consumer, while driving leaner, more agile distribution, operations, and production.

Fundamentals of Demand-Driven

There are several specific components involved in the demand-driven approach. For a supply-chain to be demand-driven, demand must be sensed, shaped and then translated to forecast demand (orders) for each tier of the supply chain:

- **Demand sensing** – identifying what influences consumer buying patterns and trends in order to improve forecast accuracy.

- **Demand-shaping** – influencing consumers to make purchasing decisions. Historically, manufacturers have used this to alter demand so that it aligns with supply (e.g., a car manufacturer uses promotional sales to influence demand so that it matches planned supply). In retail, it is more often used to drive demand to promoted, related or substitute items.

- **Demand translation** – communicating how the consumer demand forecast for individual items in each location (stores or DC's that fulfill consumer demand) is translated by store order logic, schedules, and constraints into future orders for upstream suppliers.

Rather than presuming demand is random and chasing it with statistics, demand-driven enterprises emphasize better predicting consumer behavior, influencing consumer decisions and staying ahead of consumer demand, while accurately translating consumer decisions into upstream supply chain demand.

Source: Blue Ridge

POS is Not the Answer for Multi-Echelon Networks

Stores, distribution centers, and suppliers need to each have their own distinct demand forecast. For DC's and suppliers that forecast cannot simply be the result of quantities sold in the store.

Proper demand translation is complex, but the benefits are tremendous.

POS and causal data drive a store's forecast. However, for DCs it's not always true that if a store sells 3 of item x, the DC ships 3 to that store.

Store order schedules, excess inventory, minimum order quantities and other conditions cause divergence from "sell one, buy one" logic. Consumer demand must be translated into projected store orders taking these conditions into account. Projected store orders is the appropriate demand signal for the DC.

Consider this: consumers don't order from the DC (unless we're shipping directly to them), stores do...so it's what the stores will order that constructs the DC forecast.

Consumer demand precisely translated into the proper demand signal for each upstream tier creates inventory alignment across the supply chain. The financial impact of this alignment is game-changing.

It's Common Sense: POS is Demand...

Supplier Demand

DC Demand

Store Demand

Or is it?

Supplier Demand

DC Demand

Store Demand

Source: Blue Ridge

The Evolving Retail Landscape

Demand-driven is not a new concept. However, it is more important today because it unravels two major complications that have come to define the retailer's world:

1. Consumer's have more information and purchasing options than ever before.

2. Retailers have a greater ability to drive and influence demand.

Growing number of sales channels

The prominence of e-commerce and increasingly fickle nature of the consumer

Increase in demand drivers- social media, mobile, showrooming, qr codes, etc.

%

Emphasis on promotions and new items

loop to assure that product availability reflects these demand shaping efforts.

Imagine the following scenario. The names have been removed to protect the guilty.

A woman is looking for a big-screen TV for her husband. (Clearly, this is one of the most thoughtful and loving wives on the planet.) She responds to

The Empowered Consumer

According to NRF data, Thanksgiving 2013 brick-and-mortar retail sales declined by about 3 percent. Yet, ecommerce sales continue to rise, registering a 15 percent increase on Black Friday. Furthermore, Ebay reported a whopping 96 percent increase in mobile commerce.

Consumer shopping preferences and methods are changing, and changing rapidly. The options for consumers to purchase are nearly endless, while product data, inventory availability and pricing are readily accessible to increasingly connected shoppers.

Store commerce, ecommerce, mobile commerce, and more, have retailers in a tailspin as to how to understand consumer behavior and to assure product availability, without creating pockets of excess and mis-aligned inventory.

Retailers Drive Market Complexity

Merchants are working harder than ever to shape consumer demand, and yet are rarely closing the

an ad from a big-box electronics retailer promoting a 65" LED TV. She visits the retailer with hopes of buying the TV as a gift for Christmas.

When she gets to the store, she's told that the retailer is out of stock. Without blinking, she pulls out her phone and searches for the TV online, and purchases the same TV from a ubiquitous online retailer, who can deliver the purchase within a few days. The big box retailer loses the sale and online retailing's advantages capture another convert.

Demand shaping activities like promotions, often operate independently of supply chain initiatives, and create not only supply chain woes and lost sales, but also create distrust among an ever more mobile and vocal consumer base.

This challenge and others that did not exist just a short time ago have exposed an inconvenient truth, that of a disconnected supply chain. The result is disappointed customers, lost sales, excess inventory, unnecessary operating costs and of course lost profits.

Source: Blue Ridge

Closing the Loop

The scenario described in the previous section plays out worldwide on ecommerce sites and in retail stores every single day. The answer is to understand the factors that influence consumer-purchasing decisions, predict the extent of influence these demand drivers will have, and plan in advance to precisely meet demand.

To close the loop between demand-driving activities and product availability initiatives- assuring the product that retailers drive the customer toward is available where they shop- retailers need a way to incorporate what they know about consumer behavior into to their supply chain systems.

Solutions with the capability to analyze the demand-driving components of demand (deterministic factors) can aggregate them into a forecast that is much more precise and timely than mere statistical methods. Retailers can then look to the future and position inventory pre-emptively – capitalizing on their detailed data on customer preferences, responses and activities.

Traditional, on-premise solutions have historically not enabled this. (The largest retailers have adapted or developed their own solutions to meet this need; however, this is not an option open to every company.)

Where traditional software has limited this capability to only the largest retailers, Cloud solutions offer speed, scalability and precision for companies of any size. A Cloud-based solution empowers any enterprise to take advantage of the wealth of consumer data available today.

The question not so long ago was, "Can Cloud scale?" The answer has turned out to be a resounding "Yes, but can traditional software?" This evokes the begrudging admission that, due to the prohibitive cost of development, hardware, customization and integration, traditional software solutions are simply unfeasible for leveraging big data sources.

Source: Blue Ridge

Precision Delivers on the Demand-Driven Promise

Today there is a new ability to support a demand-driven environment and capitalize on its benefits. Companies no longer need to submit to the idea that demand is random and unpredictable.

Responding to the availability of big data, game-changing technologies capitalize on the power of the Cloud to deliver more precise consumer demand prediction and supply chain demand translation. With these capabilities, companies can do more than just combat the usual challenges. There is an opportunity to connect the supply chain end-to-end with a unified source for demand "truth."

"Companies no longer need to submit to the idea that demand is random and unpredictable."

Source: Blue Ridge

Key Capabilities to Enable Visibility & Precision

Predictive analytics- provide scientific insights into consumer demand by assessing both broad-market and unique personal trends and demand-shaping activities.

Segmenting demand based on causal factors and consumer activities produces a more accurate forecast than purely statistical methods. Predictive analytics assure increased product availability while reducing mis-aligned or excess inventories.

Demand translation- delivers precise demand and replenishment planning for optimal effectiveness, efficiency and profitability in today's retail environment.

This translation provides dramatically improved accuracy over a stochastic forecast at the distribution and supplier echelons, further increasing product availability while eliminating inventory mis-alignment.

Collaborative forecasting- assists retailer and trading partner collaboration by enabling multiple inputs for demand forecasts. This collaboration improves retail order plans and alerts to potential trends or shortages.

Vendor managed inventory (VMI), collaborative (CPFR) and scan-based trading (SBT) initiatives today can increase fill-rates and sales, while reducing freight and distribution costs by more than 15 percent.

Cloud foundation- enables a scalable, cost-effective, and centralized solution to support a demand-driven strategy throughout the retail supply chain.

The precision analytics that enable unified forecasting, multi-channel, and multi-echelon optimization, require significant processing power. Cloud solutions deliver the necessary algorithms and scalability without the expense of often-latent hardware.
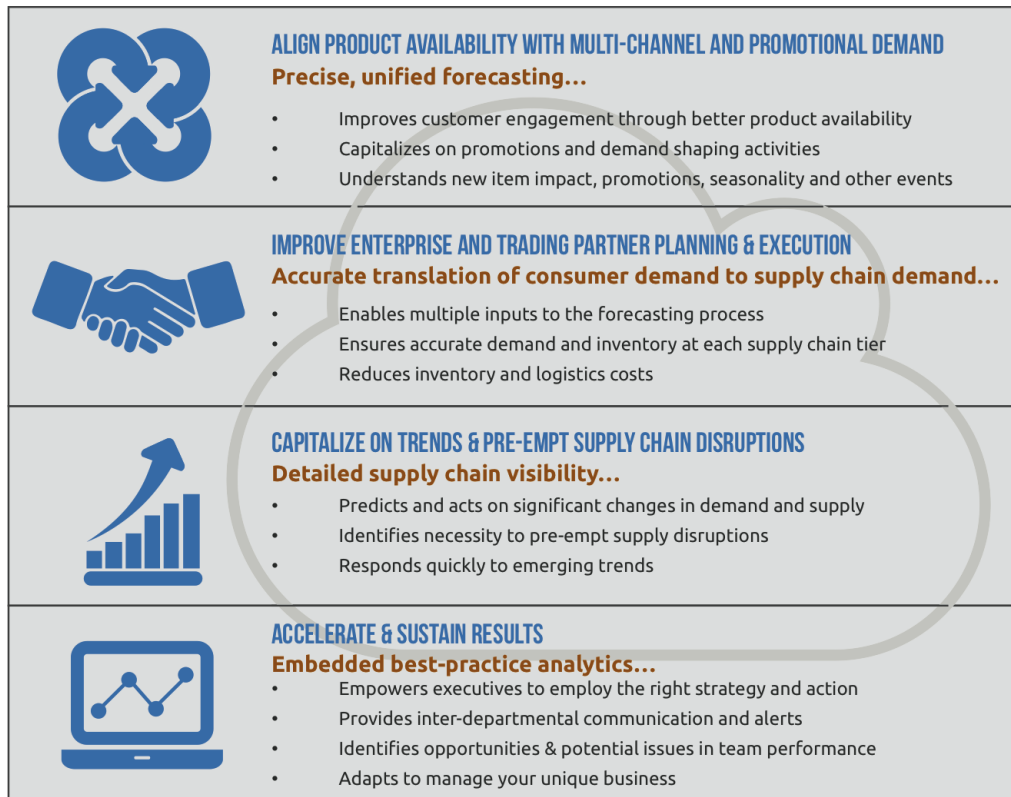
Source: Blue Ridge

A Supply Chain that Benefits Consumers, Suppliers and your Bottom-line

In the last 5 years, some industry leaders have already begun to take advantage of the visibility and precision that come as a result of the capabilities mentioned before. These organizations have outdistanced competitors with leaner and more agile planning that ensures product availability, while eliminating excess inventory, cutting costs and increasing the bottom-line:

- Swedish Retailer wins Retail TouchPoints Customer Engagement Award for Supply Chain Initiatives that Improve Customer Experience

- Hardware Retailer improves Service Levels 2.5 percentage points, while reducing safety stock 10 percent

- Amidst Double-Digit Sales Growth, Leading Auto Distributor Achieves Company High Service Levels and Inventory Turns

- Fortune 500 Health and Medical Supplies Distributor Reduces Carrying Costs and Freight Costs by $1.3MM

- Food Wholesaler grows revenue 12 percent, reduces inventory 14 percent, improves cash flow by 300 percent and profit by 181 percent

Source: Blue Ridge

WITH BLUE RIDGE CLOUD SUPPLY CHAIN PLANNING SOLUTIONS, You Seamlessly Integrate Demand-Driven Forecasting, Multi-Echelon Supply & Demand Planning, Allocation, Replenishment and VMI Collaboration.

ALIGN PRODUCT AVAILABILITY WITH MULTI-CHANNEL AND PROMOTIONAL DEMAND
Precise, unified forecasting...
- Improves customer engagement through better product availability
- Capitalizes on promotions and demand shaping activities
- Understands new item impact, promotions, seasonality and other events

IMPROVE ENTERPRISE AND TRADING PARTNER PLANNING & EXECUTION
Accurate translation of consumer demand to supply chain demand...
- Enables multiple inputs to the forecasting process
- Ensures accurate demand and inventory at each supply chain tier
- Reduces inventory and logistics costs

CAPITALIZE ON TRENDS & PRE-EMPT SUPPLY CHAIN DISRUPTIONS
Detailed supply chain visibility...
- Predicts and acts on significant changes in demand and supply
- Identifies necessity to pre-empt supply disruptions
- Responds quickly to emerging trends

ACCELERATE & SUSTAIN RESULTS
Embedded best-practice analytics...
- Empowers executives to employ the right strategy and action
- Provides inter-departmental communication and alerts
- Identifies opportunities & potential issues in team performance
- Adapts to manage your unique business

Research from Gartner

Magic Quadrant for Supply Chain Planning System of Record

This Magic Quadrant examines the main vendors that provide supply chain planning solutions. Supply chain leaders can use this research when evaluating and selecting an SCP system of record to underpin Stage 3 SCP process maturity.

Market Definition/Description

(Please note: The analysis contained in this research is accurate as of 1 September 2013. Due to the dynamic nature of the market, use standard inquiry for the most updated information on vendors and products.)

To better define and analyze the market for suitable and emerging supply chain planning (SCP) system of record (SOR) providers, Gartner has combined three frameworks to help drive the analysis for this Magic Quadrant:

1 **SCP process maturity framework:** The business value derived from SCP is largely dependent on the maturity of the planning processes that are in place. The higher the maturity of the planning process, the more business value will be generated. Different technology capabilities will be needed to support different levels of planning process maturity, and it is important to identify which stage of planning maturity is being targeted to ensure that the right capabilities are acquired at the right time and in the right way.

2 **Gartner's pace layer framework:** SCP technology needs to support different planning process maturities in different ways. For the SCP market, we use Gartner' pace layer framework to define which pace layer is required to support the different planning process maturity stages, to ensure that the right technologies are being considered for each maturity stage, and in support of the journey a company will be taking through the maturity stages.

3 **SCP functionality framework:** Gartner recognizes three major categories of planning functionality (out of about 30 individually discernible solutions) that help to "design" the supply chain (for example, in terms of an

appropriate supply chain segmentation strategy or postponement strategy), or that "optimize" the supply chain (for example, priority planning across constrained resources), or that can "respond" when execution doesn't happen according to the plan (for example, customer order prioritization for Class A customers when a supplier delivery is shorted). Many of today's planning solutions are focused on the "optimize" category, but, over time, a company will need to rebalance its capabilities more evenly across these three categories. Therefore, it is important — particularly when thinking about future SCP requirements — to consider this necessary rebalancing of functionality in any technology-related road maps.

This Magic Quadrant is focused on analyzing the market for SCP SORs (the foundational planning layer) that support the "integrate" maturity stage (Stage 3) of demand/supply planning processes today and in the future.

An SCP SOR is a planning platform that enables a company to create, manage, link, align, collaborate and share its planning data across a supply chain — from demand plan creation through the supply-side response, and from detailed operational planning through tactical-level planning.

The creation of all the planning data may or may not occur in the planning SOR, depending on what stage of planning process maturity is required to create the necessary quality of the plan. If a basic plan is required, then the SCP SOR functionality should be capable of creating a good-enough integrated supply chain plan. The need for a higher-quality plan will normally dictate higher planning process maturity and the use of SCP system of differentiation (SOD) solutions to help create the higher-fidelity planning data. This higher-quality plan will then be managed back (that is integrated and aligned) into the SCP SOR so that it can be used by the next step, or level, in the overall planning process, and thereby maintain the integrity of the underlying SOR process and data models.

An SCP SOR includes seven key functional capabilities that are able to support and integrate the Stage 3 processes of:

- Sales and operations planning (S&OP)

- Demand planning

- Inventory planning

- Replenishment planning

- Order promising

- Production planning

- Manufacturing scheduling

Today, a planning SOR is, in effect, the planning repository for a well-defined, end-to-end enterprise supply chain. As a company moves into the "integrate" stage of planning maturity, its view of what constitutes an SOR typically changes. The key difference at this level of maturity, as opposed to earlier levels, is the evolution of an identifiable planning SOR. This SOR is usually distinct and separate from the transactional SOR, which is typically encapsulated in various ERP systems. The SCP SOR is the environment in which the end-to-end integrated supply chain plans are created, integrated, managed and made visible across the supply chain. In essence, this is establishing a single version of the truth for the supply chain demand and supply plans, regardless of what the underlying ERP landscape looks like.

Typically, an SCP SOR is implemented across a complete enterprise supply chain, which increasingly means a global deployment, and results in the need for a single instance of the planning software. In the future, the deployment of an SCP SOR will have to be increasingly in the context of multienterprise supply chains, along with the convergence of planning and execution capabilities, to facilitate more demand-driven, responsive and agile planning — especially in the short-term horizon (respond planning category) — across extended value chains. This will result from the continued maturing of supply chains beyond Stage 3, and from the need to leverage the SCP SOR (with the addition of appropriate SCP SODs and systems of innovation [SOIs]) in support of Stage 4 and Stage 5 planning process maturities.

FIGURE 1 Magic Quadrant for Supply Chain Planning System of Record

Source: Gartner (September 2013)

Magic Quadrant

Vendor Strengths and Cautions
AspenTech

AspenTech is a U.S.-headquartered public vendor that's focused exclusively on the process industries. Its range of software solutions covers process simulation and optimization, advanced process control, manufacturing execution, and SCP (including production scheduling).

Strengths

- AspenTech is strategically focused on complex process industries only (particularly oil and gas, and chemicals).

- AspenTech has strong functional depth in production planning and scheduling, as well as good functional breadth across the other planning areas. It also has good geographic coverage and a strong implementation partner network.

- A reasonable proportion of its customer references are at Stage 3 (or higher) SCP maturity. This indicates that AspenTech has an installed base with planning SOR requirements, and the vendor is exposed to these requirements.

- AspenTech has good capabilities across the nonfunctional capabilities of an enterprise-focused SCP SOR.

Cautions

- Due to its process industry focus (including consumer packaged goods, food and beverage, and pharmaceuticals), AspenTech's expertise and capabilities may not transfer well into discrete industries.

- SCP is not the only line of software solutions that AspenTech sells, and its level of R&D investment (as a percent of revenue) in its SCP solutions is about average for the vendors in this Magic Quadrant.

- Its SCP focus is on planning at an enterprise level, rather than a multienterprise level.

- In production planning and scheduling, AspenTech's functional depth makes it more an SCP SOD. However, it lacks SCP SODs in other areas, such as S&OP and multiechelon inventory optimization (MEIO).

Barloworld Supply Chain Software

Barloworld Supply Chain Software is the supply chain software division of the Barloworld group of companies, which is headquartered in South Africa. It covers operational planning and also network design through its previous acquisition of Radical and its Cast product.

Strengths

- Barloworld Supply Chain Software has a strong geographical presence across all main regions, as well as a good implementation service network.

- It also has a good management focus on its SCP product portfolio, which is driving a new product set into the market.

- It offers below-average pricing, implementation services to software cost ratios, and implementation timelines.

- In 2013, it rewrote its SCP Optimiza modules into a new Microsoft base release, which more tightly integrates the different functionalities. The vendor also has good design planning capabilities through its network design and inventory optimization solutions.

Cautions

- A below-average percentage of Barloworld Supply Chain Software's customer references are at Stage 3 (or higher) SCP maturity, and/or use a single instance of the software to support their SCP processes. This indicates a lower than average level of SCP SOR deployment for the vendor's solutions.

- Its SCP functional penetration is below average across its customer references. This indicates that the vendor's solution deployments tend to be more functionally/departmentally oriented than SOR-oriented.

- The vendor's sales strategy is not resulting in a strong intention to purchase additional software for its customer references in the next couple of years. This is likely a result of Barloworld's lack of depth in SCP SODs and SOI capabilities, as well as its more functionally oriented perception among its customers.

- Its product road map is not as strongly focused on the nonfunctional requirements of an SCP SOR, as are the road maps of some other vendors in this Magic Quadrant.

Blue Ridge

Blue Ridge is a privately held, U.S.-based vendor that's focused on distribution-intensive (particularly retail) companies. It focuses on demand planning and replenishment using a multitenant cloud-based platform.

Strengths

- Blue Ridge also makes good use of a cloud platform and technical architecture to support a fast and scalable demand planning and replenishment planning product set.

- Blue Ridge's highly satisfied customer references are its main strength. These references are very satisfied that they have or will achieve business benefits by engaging this vendor. As a result, they are also highly likely to reselect the vendor if given the choice.

- It offers good pricing and implementation service ratios, as well as below-average implementation timelines.

- The vendor has a strong management focus on its SCP solution with good levels of R&D investment.

Cautions

- Blue Ridge has a distribution-intensive industry focus. As a result, its limited understanding of other industries could be a barrier to implementation or solution design and configuration outside its target vertical industries.

- Blue Ridge has relatively weaker supply planning functional capabilities (especially in production planning), compared with the market average, because its customer base is not currently pushing Blue Ridge to strengthen these capabilities.

- Blue Ridge lacks SCP SOD capabilities. For example, it has no S&OP or MEIO SOD solutions.

- Overall, its solution set lacks design planning capabilities.

- This is a small vendor with a small customer base and associated viability concerns.

Demand Solutions

Headquartered in the U.S., Demand Solutions is owned by Logility (which, in turn, is owned by American Software). Because the Demand Solutions product set is separate from the Logility suite, Demand Solutions appears to most users as a stand-alone vendor, so Gartner evaluates it as such. Demand Solutions offers two versions of an integrated SCP suite: DS1, which is targeted at midmarket companies, and DSX, which is for larger companies. In August 2013, it acquired Taylor Manufacturing Systems to add more discrete manufacturing scheduling capabilities.

Strengths

- Demand Solutions' geographical coverage is very strong through direct or indirect channels.

- Its relatively new Microsoft-based DSX solution has a strong architecture to provide an integrated SCP SOR.

- Demand Solutions' customer references expressed positive degrees of satisfaction with expected or achieved business benefits. As a result, they were highly likely to reselect this vendor if given the choice.

- The vendor has demonstrated a strong management focus on its SCP solutions with a strong product development capability. However, Demand Solutions should further evolve its product to more closely align with Gartner's view of the emerging needs of an SCP SOR.

Cautions

- Demand Solutions is limited in terms of the depth of SCP SODs it offers to supplement its core SCP SOR functionality. For example, it offers an S&OP module, but is lacking an MEIO solution (although it does offer Logility's Voyager Inventory Optimization module) and advanced demand sensing capabilities.

- Its sales strategy has not resulted in customer references expressing a strong intention to purchase additional Demand Solutions software in the next couple of years. This is probably due to the breadth of functionality it has in its suite, and to the typically lower planning maturity of its customers.

- Less than half of its customer references are at Stage 3 (or higher) planning maturity, although a good proportion (more than 75%) of its DS1 customers are using a single instance of the software to support their SCP processes. This will likely increase the speed at which Demand Solutions will develop or acquire SCP SODs and SOI capabilities in the future.

E2open

E2open is a U.S.-based vendor that is best known for its work in supply chain visibility in the high-tech industry. In July 2013, it acquired icon-scm, a provider of SCP functionality, in order to add planning to its portfolio.

Strengths

- The recent acquisition of icon-scm has added valuable planning abilities to E2open's existing supply chain execution and visibility capabilities. As a consequence, the vendor now has a strong vision for the convergence of respond planning and execution in support of a multienterprise supply chain environment.

- E2open also demonstrates a convincing vision for the roles of cloud platforms, multitenancy and in-memory computing to support multienterprise planning, resulting in good scalability and enabling high planning speeds.

- E2open's product vision is closely aligned with Gartner's view of the key future SCP solution requirements. For example, the vendor has demonstrated respond planning depth; also, it uses cloud and in-memory computing, as well as real-time analytics, effectively.

Cautions

- E2open needs time (approximately 18 months from the time of acquisition) to fully integrate icon-scm's solutions onto its visibility platform.

- E2open's planning functionality is relatively weak, especially in the area of demand planning. Neither E2open nor icon-scm have native demand planning, and this gap needs to be addressed quickly — either organically or through acquisition.

- Despite broad functional coverage in the optimize planning category, E2open is lacking in design planning functionality. For example, there is no inventory optimization or network design capability as yet.

- It is also relatively weak in terms of SCP SOD coverage; it does not have S&OP, MEIO or demand sensing as yet.

- Its market presence outside discrete manufacturing industries is limited compared with the other vendors in this Magic Quadrant.

IBM

IBM is a U.S.-headquartered public company that is best known as a global consultancy, service provider, software provider and hardware provider. It has some advanced SCP assets, which primarily come from its Ilog acquisition.

Strengths

- A high level (more than 75%) of IBM customer references are at Stage 3 (or higher) planning process maturity, indicating IBM's ability to support more mature planning requirements.

- The functional capabilities of the IBM planning portfolio are focused primarily on the optimize planning category, with some design planning in areas such as network modeling and MEIO.

- IBM customer references report a high level of overall satisfaction, with a strong intention to choose IBM again after achieving good benefits.

- IBM has excellent global reach in terms of support services for its customers in different regions.

- IBM is strongly focused on SCP SOIs, particularly in the area of real-time analytics.

Cautions

- Service-to-software ratios are among the highest in this Magic Quadrant, reflecting the typical use of IBM solutions when an organization needs SCP SOD/SOI capabilities (in support of Stage 4 and Stage 5 process maturities), as opposed to supporting SCP SOR requirements.

- Emphasizing IBM's SOD/SOI credentials again, the vendor has a lower functional penetration across its customer references' planning solution landscapes.

- The future buying intentions of IBM's customer references are below average for this Magic Quadrant. This reflects IBM's focus on specific complex optimization challenges within SCP, and the typical challenges it is trying to resolve for its users.

Infor

Infor is a U.S.-headquartered, privately held business application vendor that has built up its portfolio of supply chain applications primarily through various acquisitions over several years.

Strengths

- Infor has functional strength across demand and supply planning, with good functional coverage in the optimize planning category.

- The vendor achieves among the lowest service-to-software cost ratios in this Magic Quadrant, and among some of the fastest implementation times.

- As a global vendor, Infor has impressive service and support reach across all the main regions.

- The SCP solutions can take advantage of Infor's overall vision and strategy to support developments in areas such as integration to the Infor ERP solution stable, collaboration (through the increasing use of the Infor Ming. le social collaboration capability), and in performance management (through the use of the Infor Intelligent Open Network [ION] Business Vault).

Cautions

- Out of the top three SCP SODs, Infor offers S&OP and demand sensing capabilities, but does not yet offer MEIO. However, in line with its vertical strategy, it does offer some very industry-specific capabilities (such as tank management and blend optimization).

- Infor needs more depth in its innovation strategy for its core SCP components. Gartner has not yet seen enough evidence of an SCP SOI strategy, a respond planning vision or strategy, the evolution of a true cloud-based SCP capability, or the use of in-memory databases to aid in speed and scalability.

- Infor customer references have no strong intentions to make purchases in additional functional areas over the next one to two years, compared with other customer references in this Magic Quadrant. This pattern is typical when a vendor lacks depth in SCP SODs and SOI capabilities, and/or when the end-user company is not pushing to mature its SCP capabilities into Stages 4 or 5.

JDA Software

JDA is a U.S.-headquartered vendor that has grown to be the world's largest best-of-breed supply chain software company — by a substantial margin. Its latest merger brought the old JDA and RedPrairie companies together in late 2012. Its SCP portfolio is primarily a combination of legacy Manugistics, i2 Technologies and native JDA-developed capabilities.

Strengths

- More than 75% of JDA's customer references are at Stage 3 (or higher) planning process maturity. This is indicative of JDA having good knowledge of the key requirements for an SCP SOR, and being used as such by its customers.

- JDA has one of the highest scoring sets of planning capabilities (across functional and nonfunctional criteria) in this Magic Quadrant.

- Across the three main categories of planning capabilities (design, optimize and respond), JDA has one of the most complete software offerings in this Magic Quadrant.

- JDA has broad global and industry coverage, with a compelling vision of how it can help support a company's supply chain segmentation journey through the design, planning and response phases.

Cautions

- JDA should further strengthen its vision around respond planning to help it compete more effectively in this area. It has some strong capabilities in elements of respond planning (such as its order promising solution), but needs to make this a more complete strategy.

- The buying intentions of JDA customer references are somewhat depressed compared with the market, and JDA's penetration into its references should be higher given the strength of its portfolio. This reflects JDA's struggle to effectively communicate the message of its functional breadth and depth in the market.

- JDA is seen as expensive software to acquire; it has market average service-to-software cost ratios, but relatively long implementation times.

Kinaxis

Kinaxis is a Canada-headquartered vendor with a long history of supporting the high-tech industry, but it has recently been expanding successfully into other vertical industries (such as pharmaceuticals and industrial manufacturing). Its origins were in the respond planning category. Over time, it has built out its capabilities more into the optimize planning category.

Strengths

- Kinaxis has a strong understanding of the importance of respond planning, of the use of cloud and in-memory capabilities, and of real-time analytics to support the evolving needs of SCP SOR users.

- To achieve the tightest possible interaction between available SCP SODs and the core SCP SOR capability, Kinaxis delivers its capability through a single product with a unified process and data model.

- More than 75% of Kinaxis' customer references are at Stage 3 (or higher) planning process maturity, and they are operating Kinaxis as a single-instance planning platform. This demonstrates Kinaxis' ability to perform at an SCP SOR level. Customer references have a good level of satisfaction with Kinaxis.

- Kinaxis is a single-product company. Consequently, it has a laser focus on SCP, and especially on how new and evolving technology can impact its planning solution. This results in a compelling product vision for its SCP capability.

Cautions

- Compared with some other SCP vendors, Kinaxis is weaker in some functional areas (such as demand planning) because it is still building out its optimize planning capability.

- Kinaxis' depth in SCP SODs is limited because, currently, it only offers S&OP out of the top three SCP SODs (that is, S&OP, MEIO and demand sensing). However, MEIO is in its 2014 release plan.

- Kinaxis currently lacks any design planning category capabilities. If users required them, then they would have to use third-party SCP design solutions.

- Kinaxis is still a relatively small vendor, especially in terms of overall customer numbers and global reach for support services. Its penetration outside discrete manufacturing is currently limited.

- Although Kinaxis is typically a fast solution to implement, it can be expensive compared with its peers, partly due to the subscription pricing model it uses and to the basic level of pricing for its capabilities.

Logility

Logility is a U.S.-headquartered vendor owned by American Software. It is known primarily for its Logility Voyager Solutions planning suite. It tends to develop its own functionality and is typically very well-liked by its users.

Strengths

- Logility has a strong set of planning capabilities across all the key functional areas of an SCP SOR. Logility Voyager Solutions has been developed over a number of years and offers robust, capable and integrated planning.

- More than 75% of Logility customer references are using Voyager Solutions as a single-instance planning platform. This demonstrates Logility's strength at providing user-friendly scalable planning solutions.

- Logility has been building up its SCP SOD portfolio depth. Of the top three SCP SODs, the vendor can now offer capabilities in S&OP, MEIO and, to a degree, demand sensing. This is reflected in the strong buying intentions of its customer references for the next two years or so.

- The vendor has good vertical depth and breadth, especially in process manufacturing and distribution-intensive industries.

Cautions

- The vendor is mainly focused on the optimize planning category, and needs to further develop its capabilities in the design and respond planning categories (and has indicated it will do so). The 2010 acquisition of Optiant brought MEIO and a network design capability, which were good starts for Logility in the design planning category.

- Logility needs a stronger vision for the use of in-memory databases to support the application, multienterprise and respond planning capabilities to meet the future requirements of an SCP SOR.

- It will need to start articulating a stronger story for how it will help enable SCP SOIs that can leverage the visibility provided through its SCP SOR capabilities.

- The vendor has good underlying capabilities to support elements of supply chain segmentation, but needs to do more to build out these capabilities and provide a user-friendly framework that covers the design, planning and response phases of supply chain segmentation.

Manhattan Associates

Manhattan Associates is a U.S.-headquartered public vendor that is best known for its warehouse and transportation management solutions. Through its acquisition of Evant several years ago, it acquired a demand planning, inventory planning and replenishment planning solution set that is focused on finished goods.

Strengths

- Manhattan Associates has strong functional coverage for demand, inventory and replenishment planning for finished goods only; this coverage extends into MEIO as an SCP SOD opportunity.

- The vendor has a reasonable level of respond planning capability with its separate distributed order management solution.

- With its platform strategy, Manhattan Associates has a good vision for the eventual convergence of execution and planning.

- Reference customers have a good level of overall satisfaction with the solution, and generally achieve the level of benefits they were expecting from their deployments in conjunction with the vendor's lower-than-average, service-to-software ratio.

Cautions

- With its sole focus on distribution-intensive industries, Manhattan Associates has no production planning or scheduling capabilities. Consequently, it has a relatively lower coverage of the optimize planning capabilities, and should not be considered outside of finished goods planning.

- Although Manhattan Associates is a global vendor, it lacks global reach when it comes to its planning solutions, with the vast majority of customers being in the U.S.

- SCP is a small part of the vendor's overall product solution, so its focus on planning is less than that of a pure SCP vendor. However, Manhattan Associates has about an average level of R&D investment (as a percent of revenue) into its SCP solutions, compared with the other vendors in this Magic Quadrant.

OM Partners

OM Partners is a Europe-headquartered vendor that specializes in the process industries. It delivers its SCP capabilities through its integrated planning solution, OMP Plus.

Strengths

- The OMP Plus solution is functionally strong and provides a complete set of capabilities across all the SCP SOR functional blocks, and especially the optimize planning category.

- OM Partners has more than 75% of its customer references at Stage 3 (or higher) planning process maturity. This demonstrates its ability to help support processes at this level of maturity.

- The vendor understands the need for available SCP SOD functionality to be tightly aligned with the underpinning SCP SOR process and data model. For this reason, OM Partners developed its integrated OMP Plus suite.

Cautions

- In its customer references, OM Partners has not penetrated all potential functional areas as well as other vendors have. This reflects customers' frequent use of OM Partners as an SCP SOD (particularly in production planning and scheduling) to supplement an incumbent SCP SOR. This is also reflected in a modest percentage of its customer references having a single instance of the OMP Plus solution for all functions installed.

- Although the vendor has worked on improving the speed, scalability and support for global SCP deployments, its sole focus on the process industries has resulted in an underdeveloped vision and strategy for cloud and

multienterprise deployments, in the use of in-memory databases to support the application, and in the evolution of more mature respond planning capabilities.

- OM Partners has little presence in pure discrete manufacturing or distribution-intensive companies, and its use in these environments needs careful evaluation.

Oracle

Oracle is a U.S.-headquartered, public global business application vendor with a portfolio of SCP solutions known as Value Chain Planning (VCP). VCP contains a mix of Oracle-developed and Oracle-acquired SCP solutions.

Strengths

- Across the solutions in Oracle VCP, Oracle has a complete SCP SOR functional footprint, as well as good coverage across the three planning categories of design, optimize and respond.

- The vendor is financially strong with an excellent global presence and implementation partner network.

- In its VCP customer references, Oracle has a higher-than-average penetration across the planning functionality landscape. More than 75% of its customer references are at Stage 3 (or higher) planning process maturity, and/or have a single VCP instance supporting their SCP processes.

- Oracle has a good ability to understand how a customer will need capabilities such as respond planning, in-memory computing and real-time analytics to support future SCP SOR requirements.

Cautions

- Although strong in discrete manufacturing vertical industries, Oracle has average coverage in process and distribution-intensive vertical industries.

- Oracle tends to have higher-than-average prices, longer-than-average implementation time scales and above-average service-to-software costs.

- Oracle's R&D spending on its VCP products is about average in this Magic Quadrant; it will need to articulate a stronger SCP SOI strategy and how this is related to its SCP SOR capability.

Quintiq

Quintiq is a dual U.S.- and Europe-headquartered vendor that focuses on manufacturing planning (especially in complex process industries), workforce optimization, and logistics and transportation planning. The same technology platform is used across all three sectors.

Strengths

- Quintiq has strong credentials in complex manufacturing planning and scheduling, along with deep domain expertise in its primary vertical industries.

- The vendor understands the value of an integrated planning capability (horizontally and vertically) and has a strong technical architecture underpinning this.

- It has one of the highest levels of overall customer reference satisfaction. It assists its users through a broad global support and implementation network, which is backed up by a strong and stable management team.

Cautions

- Although Quintiq can be (and increasingly is being) used in a broad range of industries, it has a narrower primary vertical focus compared with other vendors in this Magic Quadrant. Companies should be mindful of this if they are operating outside Quintiq's primary vertical industries.

- Although an average proportion of its customer references are at Stage 3 (or higher) planning process maturity, less than 50% have Quintiq deployed as a single instance, and its customer reference footprint is strongly oriented toward supply planning (scheduling, inventory planning and production planning).

- The future buying intentions of its customer references for areas outside supply planning are low, compared with other vendors in this Magic Quadrant. This is mainly because these companies don't plan on acquiring or needing these additional capabilities.

SAP

SAP is a Europe-headquartered, public global business applications vendor with a portfolio of SCP solutions that falls under its SAP supply chain management suite. At the time of writing, its primary SCP SOR solution is SAP Advanced Planner and Optimizer (APO).

Strengths

- SAP has a good breadth of focus across all three main industry categories (discrete, process and distribution-intensive).

- With its 2013 acquisition of SmartOps, SAP now has good functional coverage across the design and optimize planning categories.

- Recent acquisitions and new products give SAP an increasingly broader staple of SCP SODs that users can leverage as soon as their SCP SOR is deployed effectively.

- SAP is a financially strong and global vendor that could develop a high-value SCP SOR solution when the full potential of its in-memory Hana platform is realized for SCP. Since the research for this Magic Quadrant was completed, SAP has been evolving an SCP strategy that intends to leverage Hana and cloud more extensively across SCP.

Cautions

- SAP has lower overall customer reference satisfaction scores than the other vendors in this Magic Quadrant, although it has the highest SCP market share through a successful program of selling its SCP solutions to its ERP installed base. However, the range of satisfaction scores was relatively narrow.

- E2open's recent acquisition of icon-scm (a former SAP partner solution) means that SAP must determine how it wants to address the respond planning category as part of a future SCP SOR capability.

- The vendor, with its traditional on-premises deployments, is seen as expensive, with longer-than-average implementation times and higher-than-average service-to-software costs. The launch of new cloud-based solutions is a means to address these concerns.

- The future buying intentions of customer references (for more SOR and SOD capabilities) are relatively low, and SAP needs to more strongly articulate how its newly acquired and developed SCP SODs will interoperate effectively with its SCP SOR capability to support higher planning maturities. The proportion of its customer references at Stage 3 (or higher) planning process maturity is lower than most other vendors in this Magic Quadrant.

SAS

SAS is a U.S.-headquartered, private global vendor that is best known for business intelligence (BI) and analytics solutions. In recent years, it has leveraged that heritage to introduce some SCP products.

Strengths

- SAS's solutions are mostly used as SCP SODs, rather than as a core SCP SOR, with more than 75% of its customer references at Stage 3 (or higher) planning process maturity. SAS is effective as a specialized SCP vendor, helping to add more advanced capability to an existing SCP SOR.

- The vendor has a strong global presence and is investing heavily in its SCP products, which it views as a high-growth opportunity.

- The SAS SCP portfolio is heavily oriented toward analytics, optimization and data mining, leveraging SAS's heritage as a BI and analytics vendor.

Cautions

- Due to SAS's dominant SCP SOD profile, customer references do not indicate strong intentions to buy other SAS SCP solutions for their SCP SOR requirements in the future, compared with other vendors in this Magic Quadrant.

- A high number of SAS customers (more than 2,000) have purchased its SCP solutions, but more than 95% of them have selected SAS's demand planning and forecasting solutions. Its installed base of supply planning, inventory planning and optimization solutions is small.

- SAS needs to strengthen its vision for the respond planning functional category. It has strong technology to support this category, but needs to formulate a product approach to leverage it more effectively.

Steelwedge

Steelwedge is a U.S.-headquartered private vendor that's known mainly for its cloud-based collaborative demand planning and S&OP focus. Recently, it has been pulled increasingly toward tactical and operational planning, reflecting the market's desire for closer alignment between S&OP and SCP. Currently, its deeper operational supply planning capability is delivered through a partner.

Strengths

- Steelwedge is best known as an S&OP and collaborative demand planning vendor. It has a strong focus on its solution set and an above average level of R&D investment, compared with other vendors in this Magic Quadrant.

- It has a good vision for the architecture of its platform. That vision has delivered combined transaction-based planning and mobile analytics with minimal latency between the two environments.

- More than 75% of customer references are using Steelwedge as a single-instance planning platform, reflecting the role the vendor typically plays in support of global S&OP processes.

- Steelwedge has a good vision for providing SCP SODs and SOIs on top of its platform through its recently launched "S&OP Apps."

Cautions

- Steelwedge is natively weaker in supply planning functionality compared with many other SCP vendors. It supplements its own capability through opportunistic partnering with icon-scm (now part of E2open), and through integration with its own platform. This type of arrangement usually results in less tightly aligned demand/supply planning processes and data models.

- The solution set lacks depth in SCP SODs beyond S&OP, due to its historical focus.

- Steelwedge lacks depth of coverage across certain industries, reflecting its heritage in discrete manufacturing and especially S&OP.

Syncron

Syncron is a Europe-headquartered private vendor that focuses primarily on planning and order management for the aftermarket and service parts sectors.

Strengths

- Syncron has a strong technical architecture to support planning across a global supply chain. The solution exhibits many of the nonfunctional requirements of a good SCP SOR.

- More than 75% of its customer references have deployed Syncron as a single instance in support of their planning requirements. This demonstrates the vendor's ability to support global planning processes.

- The vendor recognizes the importance of an integrated planning platform, and the need for high scalability to support large deployments through on-premises or cloud deployments.

Cautions

- Functionally, Syncron will likely be a poorer fit if considered outside its core target industries of aftermarket and service parts (in which it is a good fit).

- It is a small vendor by customer numbers, and typically has an overall low functional penetration level in its customer references. This reflects its narrow use case and industry focus.

- Syncron is Europe-oriented, with nearly 80% of its customers headquartered in that region. However, it is building out its presence into the U.S. and Japan.

ToolsGroup

ToolsGroup is a U.S.-headquartered private vendor that is best known in the U.S. for its finished goods inventory optimization solutions; in Europe, it is better known for its operational demand and supply planning capabilities.

Strengths

- ToolsGroup scores well for overall customer satisfaction. Many of its customer references deploy the software as a single instance in support of their planning processes, thereby demonstrating the vendor's credentials in supporting large deployments.

- The functional coverage of the solution is strong across all three planning categories of design, optimize and respond, and it has good functional penetration within its customer references. This reflects its use as a broad and deep planning platform.

- For a small vendor, ToolsGroup has good global coverage, with customers in every major region of the world.

- ToolsGroup understands the need to support SCP SOR capabilities with SOD functionality, and it has built up advanced functionality in inventory optimization and demand sensing. It also has differentiating capabilities when it comes to the application of probabilistic replenishment and supply planning.

Cautions

- There is no cloud version of the software available, and the vision for multienterprise planning support is consequently weaker than that of the other vendors in this Magic Quadrant.

- ToolsGroup is a small, privately held vendor. It is, therefore, a potential merger and acquisition target. This sometimes brings higher-than-average risks.

- The buying intentions of its customer references are relatively weak over the next two years. This may partly reflect the market view that ToolsGroup is an SCP SOD rather than a broad SCP SOR; it may also partly reflect the breadth of deployment at some customers.

Triple Point Technology

Triple Point is a U.S.-headquartered private vendor that recently acquired WAM Systems (2013) for its process industry SCP solution. Triple Point is better known for its commodity trading solutions. In July 2013, Triple Point was acquired by Dublin-based Ion Investment Group (owners of Ion Trading Technologies and Wallstreet Systems). Ion plans to operate Triple Point as a stand-alone business unit.

Strengths

- The Triple Point SCP solution has strong SCP SOR functional and nonfunctional capabilities, and it understands the need to have tight alignment between the SCP SOR and any SODs.

- The vendor has good global reach, with installed customers in every major global region.

- More than 75% of Triple Point's customer references are at Stage 3 (or higher) planning process maturity, and have deployed the SCP software as a single instance to support integrated planning. This illustrates Triple Point's understanding of SCP SOR requirements and larger deployments.

Cautions

- Triple Point is heavily focused on the process industry across its portfolio, and SCP is no different. This means that Triple Point's expertise and functionality may not transfer well into other industries, and will require careful evaluation.

- Due to its industry focus and heritage, Triple Point has a greater focus on the optimize planning category, and is less focused on the design and respond planning categories. It will need to determine how to develop these more in the future.

- Triple Point's solution vision needs strengthening in areas such as cloud, in-memory and support for multienterprise deployments, especially if it is to appeal more to companies outside its current target vertical industries.

- Any implications of Ion's ownership of Triple Point are unclear as yet.

TXT e-solutions

TXT is a Europe-based public vendor that is focused on SCP solutions. It has fairly recently (in 2008) redesigned its solutions to provide an integrated planning platform to support operational planning and S&OP. It is a close technology partner of Microsoft, using this technology stack extensively across its solution set.

Strengths

- TXT has a strong technical architecture to support integrated operational planning and additional S&OP support.

- For the functional and nonfunctional requirements of an SCP SOR, TXT scores above the average for the vendors in this Magic Quadrant.

- The vendor has a strong focus on its SCP products, and is looking to expand further into the U.S. market.

Cautions

- TXT has a weaker global footprint than many other SCP vendors in this Magic Quadrant. It is focused mainly on the European, and increasingly the U.S., markets.

- The vendor's functional coverage of the design and respond planning categories is below average, along with its depth of SCP SODs. However, TXT has a capable S&OP SOD that is tightly aligned with its operational planning functionality.

- Although a high proportion of TXT customer references deploy a single instance of the software, less than 50% are at Stage 3 (or higher) planning process maturity. This pattern of deployment is probably not yet testing TXT in most areas of SCP SODs or SOIs.

- The future buying intentions of its customer references are below average, compared with the other vendors in this Magic Quadrant. This illustrates the lower maturity of its customers and the scarcity of its SCP SODs.

Vendors Added and 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's appearance 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. 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

This Magic Quadrant is an update of the "Magic Quadrant for Supply Chain Planning for Process Automation." However, we have revised the underlying models and frameworks to incorporate planning process maturities and pace-layering concepts. This has resulted in a very different model; thus, the vendor inclusion and evaluation criteria have changed significantly. As a result, we have included the following vendors in this Magic Quadrant:

- AspenTech

- Blue Ridge

- Demand Solutions

- E2open

- IBM

- SAS

- ToolsGroup

- Triple Point Technology

Dropped

- Lawson (was acquired by Infor)

- Inform (does not appear to meet the global coverage inclusion criteria)

- i2 Technologies (was acquired by JDA Software)

Inclusion and Exclusion Criteria

To be included in this Magic Quadrant, each vendor had to meet criteria related to the following:

- **SCP market presence:** The vendor must have a minimum annual license and maintenance (or subscription) revenue of $10 million for its SCP solutions. This excludes all professional services and consulting revenue.

- **SCP deployments:** The vendor must have a minimum of 25 fully implemented customers using multiple functional modules from its SCP solutions.

- **Global coverage:** The vendor must generate at least 10% of its SCP software license revenue from outside its headquarters region (for example, the Americas, Europe/Middle East and Asia/Pacific).

- **SCP functional coverage:** The vendor should have reasonable SCP SOR functionality coverage and depth in at least four of the seven key functional areas of an SCP SOR (including developments or public announcements up until 1 September 2013). The vendor's solution set and RFP responses were compared with a Gartner standard-weighted SCP SOR RFP. The seven SCP SOR key functional areas are:

1 Stage 3 S&OP

2 Demand planning, including collaborative demand planning

3 Inventory planning, including collaborative inventory planning

4 Replenishment planning, including collaborative replenishment planning

5 Order planning/promising

6 Production planning

7 Manufacturing scheduling

- **Technical capabilities coverage:** The vendor must have reasonable depth in at least seven of the 10 key technical capabilities of an SCP SOR (including developments or public announcements up until 1 September 2013). The vendor's RFP responses were compared with a Gartner standard-weighted SCP SOR RFP. The SCP SOR technical capabilities are:

1 Process management

2 Unified data, process and analytical models

3 Scalability to handle large global planning models

4 Performance management and analytics support

5 Collaboration support

6 Ability to deploy segmented SCP models

7 Master data management

8 Integration to transaction systems

9 Ability to propagate plan changes easily across an integrated planning model in a 24/7 environment

10 Degree of the solution's configurability for different planning regimes/environments

Evaluation Criteria

Ability to Execute

To better assess the capabilities of the vendors evaluated in this Magic Quadrant, Gartner has supplemented the seven top-level Ability to Execute criteria with a number of subcriteria. Each subcriterion was specifically chosen to help distinguish the different vendors by providing an SCP-SOR-relevant assessment against a Gartner standard.

Product or Service:

This is the vendor's ability to support a reasonable proportion of the functional areas required for an SCP SOR, as defined in Gartner's reference model for SCP SOR. These functional areas can be either through native capabilities or via OEM agreements/partnerships. This is also the vendor's ability — via the technology and architecture of its solution — to support a reasonable proportion of the nonfunctional requirements of an SCP SOR, as defined in Gartner's reference model for SCP SOR. The weighting for these criteria was user-determined.

Subcriteria:

- The breadth and strength of the vendor's demand planning functionality, compared with a Gartner SCP SOR standard

- The breadth and strength of the vendor's supply planning functionality, compared with a Gartner SCP SOR standard

- The availability of planning SODs to complement the SCP SOR capability, especially in the areas of demand sensing, advanced S&OP and MEIO (that is, the top three SCP SODs, based on user interest)

- The degree to which the data, process and analytical models across the SCP SOR offering are unified

- The scalability of the SCP SOR in order to cope with large and increasing planning model sizes

- The process management capabilities compared with a Gartner standard

- The ease with which the SCP SOR can be configured to meet specific user needs

- The level of collaboration support, especially for internal planning collaboration across the supply chain

- The solution's ability to support global planning needs, including the need to provide 24/7 planning availability across regions

- The sophistication of any master data management capabilities inherent in the SCP SOR

- The level of performance management and analytics support offered by the vendor, including the degree to which these analytics are configurable by the user

- The level of capability to integrate to a range of different transaction environments

Overall Viability:

Viability includes an assessment of the vendor's financial health; the financial and practical success of the vendor; and the likelihood that the vendor will continue to invest in its SCP products, offer the SCP products, and advance the state of the art of SCP SOR within its portfolio of products.

Subcriteria:

- Vendor's financial rating

- Vendor's SCP product viability

Sales Execution/Pricing:

This is the vendor's ability to provide business value compared with the price it charges for software and services in deploying its SCP software as an SCP SOR. The criteria examine the vendor's pricing level in relation to prevailing SCP market levels, the amount (and, therefore, the cost) of the implementation services relative to the SCP software cost, and the typical implementation times (and, therefore, an approximation of how quickly it takes to realize business value) to deploy key SCP modules.

Subcriteria:

- SCP pricing level compared with market levels

- Typical professional service-to-software ratios

- Typical implementation times for software deployments

Market Responsiveness/Record:

The vendor's ability to respond, change direction, be flexible, and achieve competitive success as the market and requirements for an SCP SOR evolve. This includes the degree to which a vendor can cover all the potential planning functional requirements across the three key categories of SCP functionality — that is, design, optimize and respond.

A vendor's market record is also reflected by two key factors. The first is how many customers it has globally (although, above a threshold, this diminishes in significance). The second factor is the extent to which its customers are using the vendor's solutions across all their SCP requirements (that is, the vendor's degree of SCP functional penetration).

Subcriteria:

- The degree to which a vendor covers all the functional areas included in the design planning category

- The degree to which a vendor covers all the functional areas included in the optimize planning category

- The degree to which a vendor covers all the functional areas included in the respond planning category

- The total number of SCP customers a vendor has

- The degree to which a vendor has been able to penetrate its installed base across the different SCP functional areas

Marketing Execution:

This is the vendor's ability to create mind share with companies that are looking for capable SCP SOR solutions for potentially global deployments. It also involves the clarity, quality, creativity and efficacy of programs that are designed to deliver the vendor's message in order to influence the SCP market, promote the brand and business, increase awareness of the products, and establish a positive identification with the SCP product in the minds of buyers. This should result in a higher percentage of a vendor's customers using its SCP solutions to support Stage 3 (or higher) SCP process maturity, and in an increased incidence of users deploying the SCP solution as a single instance to support integrated end-to-end SCP.

Subcriteria:

- The degree of evidence that a vendor's installed base is at Stage 3 (or higher) planning process maturity

- The degree of evidence that the vendor's SCP solutions are being deployed as a single instance across a defined supply chain to support end-to-end integrated planning

Customer Experience:

This is the vendor's ability to provide a sufficient number of quality references to prove the viability of its product in the SCP SOR marketplace. Of particular interest are customer references that demonstrate broad (or even global), large-scale deployments of demand and supply planning functionality across at least an enterprise supply chain, within a single instance of the planning software. This demonstrates scalability and the ability to support a strong planning foundation, and provides the means to support a pathway to higher planning process maturities. This manifests itself as the use of SCP SODs (such as MEIO, S&OP and demand sensing) to support these more mature planning processes.

Relationships, products and services/programs that enable clients to be successful in deploying an SCP SOR will be evaluated. Of particular interest are the references' overall satisfaction with the vendor's solutions and services, the likelihood that they would select the same vendor again if given the choice, and whether the references achieved the desired business benefits on implementation.

Subcriteria:

• Overall customer satisfaction level

• The likelihood of users selecting the same vendor again (for the same requirements)

• The level of business benefit achieved compared with the anticipated level

Operations:

This criterion refers to the vendor's ability to meet its goals and commitments. Specifically, it refers to the vendor's ability to provide internal professional services resources, or to partner with system integrators or other service providers to provide customers with SCP domain knowledge, training and education, a broad skill set to support a complete SCP SOR deployment, satisfactory after-sales support and good help desk support.

Subcriteria:

• None

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
Marketing Execution	High
Customer Experience	High
Operations	Medium
Source: Gartner (September 2013)	

Completeness of Vision
Market Understanding:

This is the vendor's ability to demonstrate a strategic understanding of how the SCP market is evolving to include the provision of suitable and capable SCP SOR solutions today and in the future. This is also the vendor's ability to articulate how it will translate emerging SCP SOR requirements, changing SCP environments and technology trends into suitable products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and they can shape or enhance those wants and needs with their product vision. This SCP SOR market understanding will also include the vendor's approach to meeting the emerging needs for alternative deployment options (especially cloud), the planning speed and scalability to support global deployments, the eventual convergence of planning and execution to increase responsiveness, and the ability to provide real-time analytics to support end-to-end supply chain performance.

Subcriteria:

• Vision for respond planning to help drive planning/execution convergence at the SCP SOR level

• Vision for the use of cloud for scalability and planning speed at the SCP SOR level

• Vision for real-time analytics at the SCP SOR level

Marketing Strategy:

This criterion is the vendor's ability to demonstrate that it has a well-articulated strategy for SCP SOR market expansion and revenue growth. Key elements of the strategy should include a global plan, internal investment priority and timing, appropriate partner alliances that will result in a clear position on an integrated SCP platform, and the availability and utility of appropriate SCP SODs to support users' move into Stage 4 planning process maturities when required by the business.

Subcriteria:

- Vision for SCP as an integrated planning platform

- Vision for the level of relationship between SCP SODs and the SCP SOR

Sales Strategy:

This is the strategy for selling the SCP products; it uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extends the scope and depth of market reach, skills, expertise, technologies, services and the customer base. A good sales strategy should translate into customers' short-term and midterm future buying intentions for additional SCP SOR and SCP SOD modules in support of their integrated SCP requirements and evolving planning process maturity.

Subcriteria:

- Installed base buying intentions across SCP SOR and SCP SOD functional areas in the next 12 months

- Installed base buying intentions across SCP SOR and SCP SOD functional areas in 12 to 24 months

Offering (Product) Strategy:

The vendor can clearly articulate to Gartner and to the market a "statement of direction" for the next two to three years that will keep pace with (or surpass) Gartner's vision for the SCP SOR market. The vendor understands the major technology/architectural shifts that will be required by the SCP SOR market, and can communicate a believable plan to leverage them and deliver appropriate solutions. This may also include any migration issues that these shifts may create for current customers — for example, a vision that can address how the vendor's SCP SOR technical architecture will evolve, how and where emerging in-memory computing (databases) will be used, and how the vendor intends to support supply chain segmentation requirements across design, planning and response.

Subcriteria:

- Vision for the technical architecture of SCP SOR, for the associated SCP SODs, and for the support for future SCP SOIs

- Vision for the use of in-memory computing (especially in-memory databases)

- Vision for the execution of supply chain segmentation strategies across the design, planning and response phases of supply chain segmentation

Business Model:

For the SCP SOR market, this is reflected in how the management team appears to prioritize its SCP portfolio and solutions (between the different SCP modules as well as across different solution portfolios, if the vendor sells more than just SCP products), and what level of research and development (R&D) investment is being made into the SCP solutions and underlying technology.

Subcriteria:

- Vendor management team's focus and priority on its SCP solutions and portfolio

- Vendor's level of R&D spend on its SCP solutions, as measured by the percent of revenue allocated to R&D

Vertical/Industry Strategy:

This criterion looks at the vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical industries. The degree of required industry specialism is different across the various SCP functional areas. The need for industry specialism tends to reduce toward the demand planning side, and to increase toward detailed manufacturing planning and scheduling processes. The vendor needs to articulate how it will balance the needs of different vertical industries across its SCP portfolio. Key for SCP solutions is the vendor's focus on three industry groupings: process manufacturing, discrete manufacturing and distribution-intensive.

Subcriteria:

- Strength in process manufacturing vertical industries

- Strength in discrete manufacturing vertical industries

- Strength in distribution-intensive vertical industries

Innovation:

The vendor's ability to articulate how it will innovate its SCP products and services to meet the evolving needs of an SCP SOR. These needs fall into three broad categories:

- The need to support global enterprise deployments, including scale, speed and availability

- The need to provide a suitable pathway from the base SOR capabilities into SCP SOI capabilities (which will be mainly focused on advanced, real-time analytics leveraging the data in the SOR)

- The eventual need to effectively support multienterprise deployments across extended supply chains

The vendor should be able to articulate how its vision (and innovation strategy) for an SCP SOR supports a customer's journey to mature its planning processes with the help of a relevant enabling technology. This technology should be in the form of SCP SODs and SOIs that can be deployed effectively alongside the SCP SOR to maximize business value and ease of use.

Subcriteria:

- Vision for an SCP SOI strategy

- Vision to support multienterprise planning at the SCP SOR level

- Vision to support global 24/7 SCP

Geographic Strategy:

This is the vendor's strategy to support customers in all the main world regions to ensure successful global deployments of its SCP software. The vendor's strategy should direct resources and skills to meet the specific needs of geographies

outside the "home" or native geography — directly or through partners, channels and subsidiaries — as appropriate for those geographies and markets. This is reflected by the geographic spread of customer deployments and the extent of implementation services (the vendor's and third parties) to support deployments.

Subcriteria:

- Global reach of customer base across seven regions (North America, South America, Western Europe, Eastern Europe, Middle East, Africa and Asia/Pacific)

- Number of third-party implementations partners

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	High
Marketing Strategy	High
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	Medium
Source: Gartner (September 2013)	

Quadrant Descriptions
Leaders

Leaders demonstrate strong SCP SOR vision and execution capabilities. They have an expansive set of functional capabilities spanning most, if not all, of the key functional modules of Gartner's SCP SOR reference model. Their coverage across the three categories of planning functionality — design, optimize and respond — is good, especially for the optimize planning category. They have a good range of SCP SOD solutions and are strong in the nonfunctional SCP SOR capabilities, such as the architecture of their SCP solutions, scalability and speed, and availability of configurable analytics. They have established firm, functional and technical road maps that closely align with Gartner's view of a good future-proofed SCP SOR.

Leaders exhibit strong financial performance and the viability of their SCP solutions. Customers get good ROI at reasonable pricing and implementation service costs, as well as good implementation timelines. Customers feel highly satisfied and would be very likely to select the same vendor again. Leaders have good market penetration as well as broad functional penetration into their customer base. Many of their customers are operating at Stage 3 (or higher) planning process maturity; they have a single instance of the software that is often supporting large planning models and high supply chain complexity, and they are planning to deploy more of the Leader's capabilities in the future.

Challengers

Challengers exhibit strong execution capabilities, but have product road maps that are not yet closely aligned enough with Gartner's view of the future for SCP SOR solutions. Challengers are often used in extensive SCP deployments because of their functional breadth and depth, as well as their ability to support a significant range of industries and requirements. Their functional footprints are strong with solid customer references; these customers are often using the solutions to support Stage 3 planning processes, not just for point deployments. Customers are satisfied with Challengers and get reasonable to good value from the vendors' deployments across their supply chains, although customers tend not to have strong future buying intentions for Challengers' modules.

Although Challengers can be a good fit for a company's SCP requirements today, they are lagging somewhat in their consideration of significant future planning capability shifts (for example, the move from optimize toward design and respond planning functionalities), and in the usage of emerging technology capabilities to significantly change the overall performance of their solutions. As the scale of SCP SOR deployments further increases, is deployed more broadly across business units and regions, and increasingly starts to span extended supply chains, Challengers will increasingly struggle to keep up with the market and the demands of future SCP SOR users — unless they realign their product road maps.

Visionaries

Visionaries articulate a strong SCP SOR vision. Their product road maps demonstrate a good balance between their understanding of where users' SCP SOR requirements are heading, and their intended use of key technology developments (for example, cloud and in-memory computing) to help support those requirements. Visionaries understand the changing needs of SCP, especially regarding the increasing need for respond planning and appropriate technical architectures to support end-to-end planning visibility and integration. These vendors have plans to help users leverage their solutions in global and, in some cases, multienterprise planning environments. Visionaries are also able to demonstrate plans to deepen their capabilities into SODs — and, eventually, into SCP SOIs. They back this up with a strong management focus on, and planned investments in, their SCP solutions, as well as plans for good global reach.

However, Visionaries are currently weaker in certain aspects of SCP SOR execution. This could relate to their weaker functional breadth — typically in the design and respond planning categories — as well as their ability to deliver on aspects of the nonfunctional key components of an SCP SOR. They may be a smaller vendor with a relatively weaker financial position. They may have less experience in balancing software costs and relative investment returns when their solutions are deployed as an SCP SOR. Across their installed base (which can be smaller), fewer companies will tend to use their solutions while displaying Stage 3 (or higher) SCP process maturity, and/or in an end-to-end supply chain context.

Niche Players

Niche Players can be perfectly viable choices for SCP projects, but they will likely struggle to fulfill all the requirements of an SCP SOR. They will have weaknesses in SCP SOR vision and execution. While they may have strong functional planning capabilities, they do not yet exhibit a strong enough road map toward the key criteria that Gartner believes to be important for an SCP SOR. Niche Players may often be deployed as SCP SODs due to their functional depth and strength, where another vendor solution is being used to fulfill the SCP SOR role. Alternatively, they may be used as stand-alone or more narrowly deployed specialized SCP solutions, often helping to solve a very specific and challenging planning problem.

Niche Players tend not to have strong evidence of SCP SOR deployments. The degree of customers exhibiting Stage 3 (or higher) SCP maturity, or the level of customers deploying a single instance of the software, will likely be lower than market

average. In addition, customer numbers will tend to be lower than average, and the vendor's functional penetration within its customer segment will tend to be narrower.

Context

Companies face a difficult decision when looking to acquire or standardize on an SCP solution. They have a broad range of providers and functional capabilities from which to choose. To select a best-fit solution, organizations often prioritize functionality during the evaluation process. However, they still face many challenges when looking to standardize on regional or even global SCP solution deployments. Supply chain leaders can use Gartner's five-stage planning process maturity model (see below) to evaluate their planning requirements and select an SCP solution that can support the functional and nonfunctional requirements of a good SCP SOR — all toward attaining Stage 3 planning maturity.

The global SCP market is crowded with many different providers of planning software, ranging from large ERP vendors, large best-of-breed providers, niche suite providers and many niche module providers.

Additionally, SCP covers a myriad of different functional capabilities or modules from which to choose. For example:

- Demand planning

- Replenishment planning

- Inventory optimization

- S&OP

- Detailed production scheduling

- Order promising

- Collaborative planning

- Rapid planning

- Network design

When Gartner talks to clients about their SCP solution selection projects, the end-user priorities tend to focus on:

- Functionality of the solution

- User-friendliness

- How well the solution integrates with the various ERP systems that are already deployed

Over the past 18 months, Gartner has had many discussions with clients that are looking to standardize on regional or even global SCP solution deployments. Our clients are raising the following challenges:

- *Standardization:* Companies are looking to standardize on a particular SCP technology to leverage skills, integration and best practices across the organization.

- *Integrated operational planning:* As companies look to improve their S&OP processes, an integrated operational planning capability becomes a foundational requirement. This capability is critical for a strong S&OP process that is linked back to operations and execution, as well across other planning domains in the company.

- *Data and process integration:* Companies want to get better data and process integration along the supply chain, supported by a single version of the truth, improved plan visibility and strong internal collaboration. To achieve this, they need to ensure consensus for the resulting plans and alignment.

- *Improved planning functionality:* Companies that want to mature their planning processes are looking to acquire or activate additional planning functionality within the context of their integrated operational planning environments. This can help them avoid islands of process, data or optimization.

Gartner has identified the best way to analyze a company's planning level and its requirements. This involves using the five stages of planning process maturity to assess the organization's planning capability at the overall SCP level and/or the specific planning process level (for example, demand planning). The five stages of planning process maturity are as follows:

Stage 1 — **Characterized as departmentally focused and fragmented, with unconstrained planning:**

- There is fragmented, localized planning with only basic concepts in place.

- There is use of ERP, Excel (heavy use), BI reports and maybe some commercial off-the-shelf planning solutions deployed as point solutions locally/narrowly at a departmental level.

- The various ERP systems are seen as the SORs with some form of "vertical" integration to/ from the ERP and planning solutions, but with no horizontal integration across departmental planning activities.

Stage 2 — **Characterized as functionally focused, with local optimization and a strong cost focus:**

- There is an evolution of functional-level scale, such as demand planning or distribution planning.

- There is use of ERP, Excel (fairly heavy use), BI reports and increasingly commercial off-the-shelf planning solutions deployed at a functional/subprocess level.

- The various ERP systems are seen as the SORs with "vertical" integration to/from the ERP and functional planning systems, but with only weak horizontal integration across functional planning processes.

Stage 3 — **Characterized as horizontally integrated demand and supply planning, supporting linked optimization across the supply chain:**

- There is an evolution of horizontally integrated demand and supply planning across the enterprise supply chain.

- Basic planning concepts are in place, but there will be more focus on establishing a credible integrated plan that multiple stakeholders can "buy into."

- There is use of integrated SCP suites to provide functional breadth across the various planning processes where demand and supply planning are covered.

- The ERP system is seen to be the transaction SOR only, with a separate SCP SOR "over the top" to support integrated horizontal planning.

- SCP SORs are implemented over a complete enterprise supply chain, whether it is defined regionally or globally.

Stage 4 — **Characterized as having an extended, external view of the supply chain, with profit-oriented optimization:**

- Specific planning processes (such as S&OP, inventory optimization and demand planning) have matured (beyond Stage 3 capability) to provide more tangible value to the business.

- Stage 4 planning process requirements will be supported by SCP SOD functionality.

- The SCP SOR that was implemented to get to Stage 3 maturity is used to ensure that the new SCP SOD functionality is used effectively within the context of the underlying planning data and process models mastered in the SCP SOR.

- SCP SODs are likely to be either commercially available solutions from smaller Niche Players, or, ideally, additional modules from an integrated SCP suite vendor that is providing the SCP SOR capability and has figured out how the SCP SODs and SOR work best together.

Stage 5 — **Characterized as having a multienterprise network view supported with planning and execution convergence:**

- SCP SOIs are used to provide new and innovative planning capabilities to enhance beyond the SCP SOD capabilities.

- SCP SOIs are likely to be in-house-developed analytical solutions, or perhaps co-developments between an end-user company and an independent software vendor. SCP SOIs will probably be focused on advanced configurable analytics to help drive valuable insight and action across a multienterprise network.

- Respond planning and execution have converged at the SCP SOR level, which has also evolved to be multienterprise in nature.

A key stage in a company's SCP development is Stage 3, where the concept of an SCP SOR first appears. At this stage, companies need to know that their chosen SCP solution can support the functional and nonfunctional requirements of a good, capable SCP SOR. These requirements include:

- Planning functional breadth (for example, demand, inventory, replenishment, production planning, order promising and manufacturing scheduling)

- Collaboration support across the various planning processes

- The ability to model and change the planning processes (for example, business process management and process templating)

- The ability to support the different planning regimes resulting from a supply chain segmentation analysis

- Unified data, process and analytical models to support end-to-end planning

- The ability to scale up to large planning datasets with the requisite planning speed

- Support for near-real-time event management and analytics

- Support for master data management to cope with transaction data coming from multiple sources

- Support for integration to/from the various transaction/execution systems

- The ability to support 24/7 planning by allowing planners to continue working in the solution while sections of the planning model are being regenerated

- The ability to run multiple what-ifs on the planning model to assess alternative trade-offs at different levels of granularity and different time horizons

Once an organization has deployed the SCP SOR in support of Stage 3 planning maturity, it then becomes the foundation on which Stage 4 and, eventually, Stage 5 capabilities can be built. By definition, Stage 3 maturity requires an SCP SOR, Stage 4 maturity requires SCP SODs and Stage 5 maturity requires SCP SOIs. The key to selecting

SCP solutions is to first identify whether an SOR, SOD or SOI is required for the target planning process and maturity, and then to assess whether the candidate vendor fulfills the key criteria for that level of capability.

Market Overview

This Magic Quadrant analyzes 21 SCP vendors. They represent around $2.4 billion in annual revenue (license, subscription and maintenance) out of a total market of around $3 billion, which is about 80% of the global SCP market.

The SCP market is getting close to a tipping point in its development after years of slow evolution. Several factors are converging; they will significantly impact the way companies assess the capabilities of the different SCP vendors to support their SCP requirements going forward. Some of the key market drivers for the SCP market include:

- *More global, complex supply chains:*

  - The continuing globalization of supply chains

  - The increasingly multienterprise nature of supply chains

  - The increasing variability and unpredictability of demand and supply

  - The increasing change in a supply chain — for example, from in-house to outsourced to in-house again manufacturing; the impact of mergers and acquisitions and disposals; and the increasing size of product portfolios and product options

- *The need for integration:*

  - The increasing need for a single version of the truth to help align resources to fulfill the demand signals, supported by end-to-end integrated planning and alignment

  - The increasing need to calculate and integrate plans for increasingly larger planning models (more SKUs, more stocking locations, more complexity)

  - The emergence of integrated business planning, which supports the need to integrate planning horizontally and vertically across a value chain

- The need for supply chain visibility — for example, a single view of inventory across a supply chain

- *Technology trends:*

  - The increasing acceptance of cloud-based solutions for operational planning

  - Companies wanting to reduce and consolidate the number of SCP solutions they use

  - The convergence of short-term planning and execution (what Gartner calls respond planning), and the need to replan fast across a supply chain in support of more dynamic demand and supply execution environments

  - The continuing commoditization of core planning functionality

  - The use of in-memory databases to support larger datasets and faster processing

- *Big data and analytics:*

- The increasing recognition of being able to plan and replan using "right time" data as opposed to batch-based planning

- The increasing availability of more granular transaction-level data to feed planning models

- The increasing size of planning models

- Increasing SCP process maturity and associated best practices to support improved supply chain performance and business competitiveness

- The increasing need to mature S&OP processes to help govern the global supply chain

- The increasing need to profit-optimize across extended supply chains to help ensure the execution of strategic decisions

- A rebalancing of planning capabilities from being top-heavy in "optimize" toward more "respond" and "design" planning capabilities — in support of abilities such as segmentation, better strategy execution, and the ability to respond more directly to actual near-real-time demand signals

These factors are translating into a new set of imperatives and evaluation criteria to help companies identify the most appropriate SCP solutions for their requirements. Such solutions provide an SCP SOR platform that forms the foundation for more mature planning processes to meet these changing business needs. A suitable candidate SCP SOR solution will require the appropriate technology and capabilities to support this changing set of business requirements, because an SCP SOR will be a sizable, long-term investment for any company.

On the vendor side, these evolving SCP SOR requirements will significantly disrupt the SCP market. Some longtime established market leaders could get left behind, in terms of their SCP SOR credentials, if they don't embrace the "new normal" for SCP solutions. These leaders will be a mixture of existing vendors that have started evolving their offerings toward a fully capable SOR, and some new SCP market entrants that have started off by using new approaches and technology to help them leapfrog ahead in the market.

Evidence

Gartner has used multiple data sources to help analyze and assess each vendor included in this Magic Quadrant. Each vendor:

- Completed a detailed vendor survey covering its current operations, solution set, strategic directions, technology vision, and market and industry focus.

- Completed a standard SCP SOR RFP, which included 195 detailed questions. Each RFP response was weighted based on Gartner's view of its importance to an SCP SOR, and was compared with a Gartner SCP SOR RFP standard.

- Submitted a number of customer references. Vendors were asked to submit references that best reflected their ability to deploy broadly and at scale. Each reference was asked to complete a standard online survey, which was used to help assess the vendor's installed base's level of planning maturity, current and future engagement, deployment mode, functional use, and overall satisfaction with the specific solutions they had implemented.

- Presented detailed information on eight predetermined, key SCP SOR areas at a briefing with Gartner analysts, which also included a demonstration of the vendor's solution set.

To supplement and validate the above data sources, Gartner also used data from the hundreds of SCP inquiries it takes each year from its client base.

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.

About Blue Ridge

Blue Ridge Cloud supply chain planning and analytics solutions provide next-level visibility and precision in demand forecasting, planning and replenishment to retailers, distributors, and manufacturers. By optimizing product availability, eliminating excess inventory, and minimizing logistics costs, these companies increase cash flow by 50% or more and improve sales by double-digits, while stabilizing or even reducing inventory up to 30%. Blue Ridge demand-driven solutions can be implemented in as little as 90 days and scaled to the most complex supply chains. For more information, visit
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