

# Corporate Performance Management Solutions for Mid-Market Enterprises

*Featuring an in-depth view of Host  
Analytics' CPM solution*

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## **MOVING BEYOND EXCEL - *Mid-market companies are adopting Corporate Performance Management (CPM) solutions to address key pain points***

In today's fast-paced and volatile business climate, midsize businesses need a clear vision, financial agility, and strong collaborative capabilities to drive better-informed and more strategic business decisions. Mergers, acquisitions, new business models, and increasing regulatory requirements heighten the importance of having accurate, flexible tools to support corporate forecasting, budgeting, reporting, scorecard, and compliance functions.

Many mid-market companies currently use Microsoft Excel spreadsheets, email, shared folders and other ad hoc tools for these tasks, but are finding significant shortcomings with this approach. As a result, more businesses are evaluating corporate management (CPM) solutions as a way to get these jobs done faster, more efficiently, and more accurately.

For this study, we interviewed several mid-market CPM vendors that are targeting mid-market (firms with 1000 to 2,500 employees) and the upper end of the SMB market (500 or more employees) with their solutions. We also conducted in-depth interviews with several mid-market companies that are using or planning to use CPM solutions. Based on these in-depth conversations and secondary research, we highlight the challenges that mid-market firms face in the corporate performance area and discuss how different types of CPM solutions can help them address these challenges. Then, we take an in-depth look at Host Analytics' CPM solution and approach for the mid-market. We conclude with additional guidance to help CPM decision makers better assess their individual requirements.

### **SECTION 1: MANAGING CORPORATE PERFORMANCE: THE SMALL AND MEDIUM BUSINESS DILEMMA**

CPM encompasses all of the processes, methodologies, measurements, and systems used by a business to measure and manage performance. CPM gives businesses a framework in which they can set goals, measure actual performance against those goals, analyze the results, and conduct "what-if" scenario planning to evaluate alternative courses of action.

When companies are small, spreadsheets, email and other ad hoc tools often suffice for managing corporate performance. But as they grow, companies add new products and

services, extend into new markets, and pursue new opportunities. They may acquire other companies, expand their geographic footprint, and encounter more stringent regulatory and compliance requirements—all of which make planning, reporting, and analysis more complex.

In addition, all businesses must cope with today's volatile business climate. Technical innovation occurs at the speed of light, and economic, social and cultural shifts occur rapidly. Companies need to adapt quickly to new opportunities or threats, and react rapidly as markets shift.

As complexity increases, using spreadsheets to manage performance becomes cumbersome. Businesses can't get the visibility, intelligence or flexibility they need. They become frustrated because they can't see cause-and-effect relationships that, if brought to light, could yield meaningful insight and better decisions. Typical problems with the spreadsheet-based approach include:

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*As complexity increases, using spreadsheets to manage performance becomes cumbersome.*

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- **Too time-consuming and labor intensive to set up and maintain.** Setting up and managing typical budgets and forecasts in Excel can take an inordinate amount of time. Establishing a companywide model, separating organizational plans, distributing to business managers, obtaining their input, consolidating various spreadsheets, debugging broken macros and formulas, and then repeating across multiple iterations requires a significant amount of time and energy across the entire company.
- **Poor collaboration and visibility.** Excel-based methods don't enable real-time data sharing and updating. When data is siloed in disjointed spreadsheets, it can be tough to consolidate into a unified, accurate view, which severely limits visibility into the planning process.
- **Error prone.** Between 20% and 40% of all spreadsheets contain errors, according to 2005 research by Dr. Raymond R. Panko, professor of IT management in the College of Business Administration at the University of Hawaii. As spreadsheets become more complex and numerous, errors multiply, slipping in through copy and paste mistakes and broken formulas. Without an audit trail, such changes and mistakes can remain undetected, and as a result, businesses can suffer from making decisions based on erroneous information.
- **Lack of real-time feedback and flexibility.** In today's business climate, things change so fast that an annual budget may not last a quarter. If it is difficult for executives and managers to quickly identify when actual performance diverges from goals and collaborate on the best course of action, they risk making serious

missteps in managing the business.

- **Inadequate analysis and reporting.** A labor-intensive, manual consolidation process often results in inadequate plans and reports. Decision makers may be not be able to drill down far enough to get the more detailed information that they need. Or it can be difficult to easily compare versions and scenarios, or obtain adequate data for auditing and other regulatory needs. Because managing the process requires so much time and energy, finance and business managers are not able to devote enough time to thoroughly analyzing the key decisions necessary to run the company.

## SECTION 2: HOW CPM SOLUTIONS ADDRESS THE CORPORATE PERFORMANCE MANAGEMENT CHALLENGE

When such problems become too painful, companies look for a centralized solution that can give their process increased speed, accuracy, and flexibility, provide an audit trail, and enable users companywide to work together on “one version of the truth.” CPM solutions are built on a unified database, and provide everyone involved in the planning process with a single, real-time view of the data, facilitating collaboration and communication among participants. By automating budgeting and planning processes, CPM speeds up the process and reduces errors, mistakes and confusion.

Self-service dashboards and reporting tools make it easier and less time consuming for people to contribute to and manage the budgeting process. Instead of trying to figure out which version of an Excel plan is the most current or worrying about errors, decision makers can spend time entering more granular data and playing out “what if” scenarios. Finance managers can spend less time managing the process and more time managing the business. As a result, companies can prepare forecasts more frequently and accurately, enabling better decision making as economic and business conditions change.

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*By automating budgeting and planning processes, CPM speeds up the process and reduces errors, mistakes and confusion.*

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The key functions typically addressed in CPM solutions include:

- **Budgeting, forecasting and planning tools** to create budgets, forecasts and financial plans with related workflow processes for reviews and approvals. CPM solutions also provide financial modeling capabilities for integrated profit-and-loss,

balance sheet, and cash flow forecasting. By incorporating access controls and audit trails, these applications support management and compliance needs.

- **Variance analysis** to help decision makers to view and evaluate differences between planned and actual figures and conduct related root-cause analysis.
- **Financial consolidation**, which allows companies with multiple divisions to reconcile, consolidate and summarize financial data.
- **Scorecards** to measure progress against the goals and objectives set forth in the strategy framework.
- **Dashboards** to visually display summary KPIs, compare them against plans or (in some cases) industry benchmarks, and drill down to bottom-up detail and assumptions.
- **Financial reporting** to produce reports required to deliver financial statements based on accounting results (usually for public companies).
- **A unified database** to provide the flexibility required to connect with existing ERP and BI solutions for integrated analysis and reporting. This allows everyone to “stay on the same page” throughout the planning process.

### SECTION 3: MID-MARKET CPM SOLUTIONS

Until recently, CPM solutions have been available primarily as part of broader enterprise-class business intelligence (BI) suites. While BI solutions provide CPM functionality, they can be too expensive and difficult for midsize companies to deploy and manage. After all, the average midsize company (defined as businesses with 100 to 1000 employees) has only 4 or 5 IT people, who usually struggle just to keep basic IT infrastructure up and running.

However, in the past few years, a few key trends have emerged to help make CPM accessible and affordable for mid-market companies:

- **CPM-specific solutions.** Several vendors have introduced a new class of solutions designed specifically for CPM. These vendors target small and midsize

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*CPM focused vendors provide purpose built solutions that are easy-to-use and cost effective.*

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companies that can't absorb the cost or complexity of broader BI suites with CPM applications that are cost-effective and easy to use. Examples of these CPM-specific companies are Adaptive Planning, Clarity Systems, Host Analytics and PROPHIX.

- **CPM solutions that are part of broad business intelligence (BI) solution, but are also offered and can be deployed individually.** This includes companies with broad BI, data warehousing and analytics capabilities like SAP, Oracle, and IBM. These vendors entered the BI space through mergers and acquisitions, and most midsize companies tend to view them as complex and expensive. However, these vendors have recently begun to re-package their solutions to make them more streamlined and work within the constraints of small or mid-sized companies. For instance, some permit customers to purchase only the modules that meet their immediate requirements, with the option to add additional modules in the future.
- **ERP companies offering pre-integrated CPM modules.** Many ERP solution vendors now offer CPM modules (their own or third-party) pre-integrated with their ERP suites. This reduces the time and difficulty of deploying CPM to work with a customer's installed ERP system. Examples include Exact Software, Infor, NetSuite, and SAP.
- **The rise of hosted and software-as-a-service (SaaS) CPM solutions.** These models reduce or remove IT infrastructure and labor costs from the CPM equation, and can dramatically reduce or eliminate upfront capital investments, implementation issues and ongoing maintenance costs associated with customer-premise solutions. Examples here include Host Analytics and Adaptive Planning.

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*Companies need to control costs, manage risks, improve financial processes and increase visibility into planned versus actual metrics.*

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In addition, the current economic climate is driving demands to reduce costs and maximize profits. Companies need to control spending, manage risks, improve financial processes and increase visibility into planned versus actual metrics. CPM solutions provide firms with tools to address these needs, helping them to improve planning, forecasting, budgeting functions and to better manage costs, optimize profits and comply with regulatory and auditing requirements.

To help midsize companies meet these requirements, vendors have created easier, faster-to-implement and more affordable CPM solutions. Increasing interest and deployment of these solutions by mid-market enterprises is demonstrated by the double-digit growth rates that most of these companies are experiencing.

## SECTION 4: DEPLOYMENT AND DELIVERY OPTIONS FOR CPM SOLUTIONS

CPM solutions are available via multiple deployment and delivery options. These include:

- **Traditional on-premise deployment.** In this model, the customer (and/or a VAR or other business partner) sources, purchases, deploys, runs and manages the CPM solution and required infrastructure hardware and middleware in their data center. They typically purchase a perpetual license from the CPM vendor, and purchase annual support and maintenance contracts. Vendors typically update these solutions every 12 to 36 months, and customers determine if and when they will upgrade. The solutions provide templates to tailor the application to individual needs, and also allow for extensive source code customization.
- **Hosted software deployment.** In this case, the vendor (or sometimes a VAR or other business partner) remotely hosts, implements, runs and manages a dedicated instance of their software for the end-user customer, making the solution accessible to users over the internet (either through a web browser or via terminal services). The vendor takes care of sourcing, integrating, maintaining, and managing the solution along with the infrastructure hardware and middleware required to run it. In some cases, customers still purchase the software license upfront, while in others, the vendor provides leasing or subscription-based pricing to provide the customer with the option to pay for the solution on a monthly, quarterly or annual basis. In most cases, customers can customize source code.
- **Software-as-a-service (SaaS) deployment.** “Cloud” or SaaS solutions are developed ground-up to be delivered via the web in a subscription-based pricing model; customers pay monthly, quarterly or annual subscription fees that cover software, service, management, maintenance and updates. SaaS solutions are architected as a multi-tenant solution, meaning that SaaS vendors can run thousands of customers from a single environment. This shared infrastructure model provides efficiencies of scale that allow SaaS vendors to provide solutions at lower cost than in a dedicated on-premise or hosted model. Because SaaS solutions are designed as services, vendors also provide 24/7 continuous support, and more streamlined “one-to-many” problem resolution—meaning that once they identify and address a bug for one customer, it’s generally fixed for all customers.

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Today's SaaS solutions (unlike the early days) provide for extensive tailoring via configuration; however, most SaaS vendors do not allow customers to customize the source code.

While SaaS, and to a lesser extent, hosted CPM solutions can provide companies with clear financial economies and benefits—and are becoming an increasingly popular choice—one size does not fit all. For instance, some companies may need specific features or functionality only available in a traditional software option, or have specific regulatory or customization requirements that can't be achieved via a hosted or SaaS option (*see Section 8 for a detailed list of considerations*).

## SECTION 5: MID-MARKET CPM VENDOR READINESS GRID

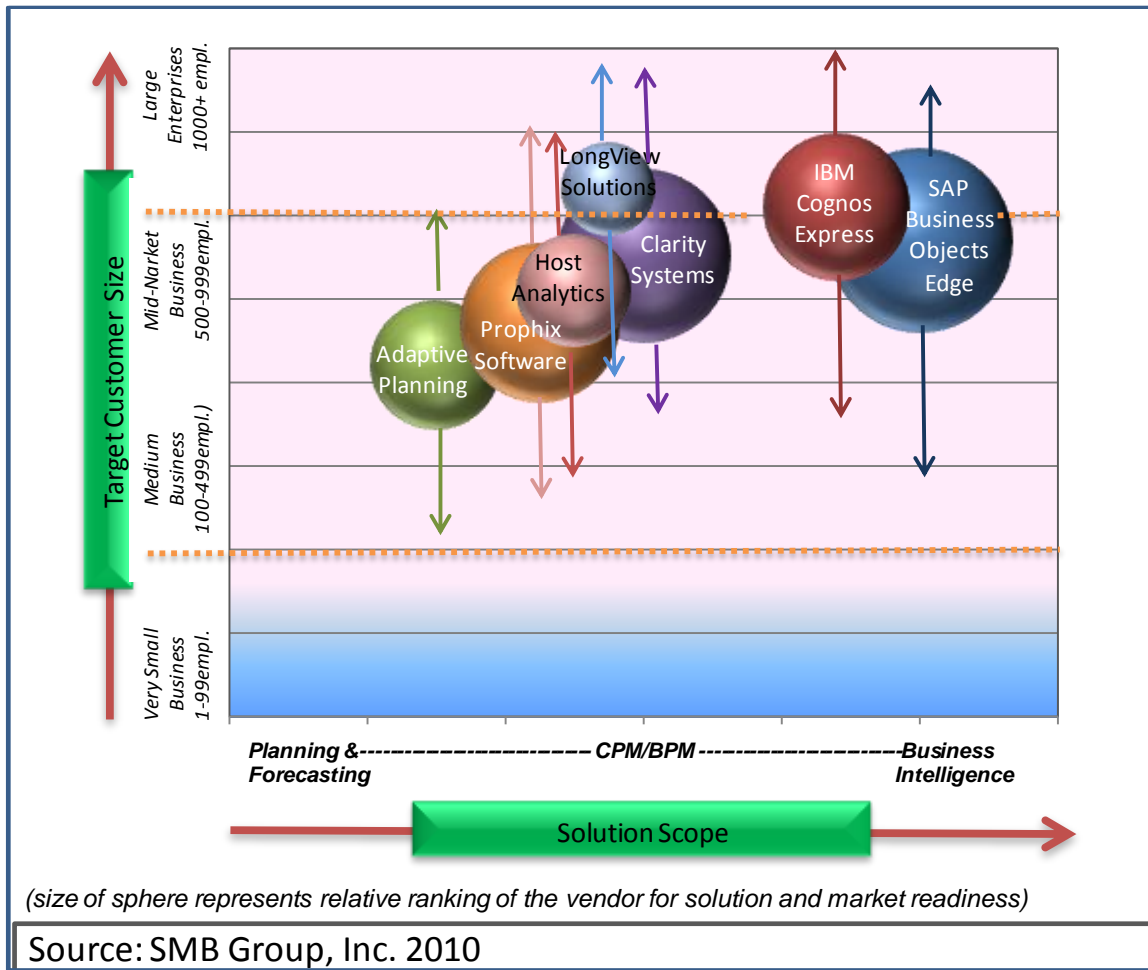
For this study, we interviewed several mid-market CPM solution vendors as well as mid-market companies that currently use or plan to use CPM solutions. Our analysis takes into consideration:

- The insights we received from mid-market CPM customers and prospects regarding their requirements and constraints for deploying and using CPM.
- Vendor-provided information about their companies, product capabilities and strategies, and marketing, pricing and channel models and other defined criteria.
- Secondary research, including vendor websites and discussion forums, and financial reports.

Figure 1 illustrates the relative positioning of the mid-market CPM solutions that were included in the original research study as follows:

- The X-axis on this grid represents the scope of solution functionality.
- The Y-axis represents the size of the target customer for the solution.
- The size of the vendor sphere represents the relative ranking of the vendors and is calculated from the detailed vendor rating criteria and ratings shown in Figure 1.

**FIGURE 1: SMB READINESS GRID FOR MID-MARKET CPM SOLUTIONS**



Positioning of vendors on the grid is based on input from vendors and from end-user customer discussions. The size of the sphere represents our view of the relative market attractiveness for that solution scope and target customer size. The sphere's position on the X-axis represents the breadth of functionality that the vendor provides, while the position on the Y-axis represents the size of the vendor's core target market for the solution. The vertical arrows for each bubble indicate the range of product suitability to address the needs and constraints of customers smaller and larger than the vendor's core target market.

## SECTION 6: HOST ANALYTICS MID-MARKET READINESS ANALYSIS

Founded in 2000, Host Analytics initially offered its CPM solutions through traditional on-premise and hosted deployment models. In 2008, Host Analytics decided to pursue a multi-tenant, annual subscription SaaS model instead. Since then, it has migrated about 90% of prior customers to the SaaS offering. Today, it focuses exclusively on selling the SaaS version of its CPM solution.

Host Analytics customers are in the midsize and upper mid-market and large enterprise space, with annual revenues ranging from \$100 million to \$1 billion. The company currently focuses its marketing and sales outreach in North America, where the majority of its 120 customers are headquartered. Representative mid-market customers include Otus Spunkmeyer, McCoy's Building Supply, Red Roof Inn, Signet Amorlite and the Sea Island Company. Host Analytics views its sweet spot as helping mid-market companies that have "big company requirements" solve complex issues.

Host Analytics' CPM suite includes budgeting, forecasting, financial consolidations, dashboards, scorecarding, planning, reporting, and analysis, as indicated in Figure 2. The solution features an Excel-like interface and enables users to and easily integrate data from virtually any internal source to create a "single point of truth" to measure organizational health and progress. While this alone satisfies important needs, for improved decision making, this is only the first step. Host Analytics integrates 4 novel components to extend visibility to action. Unique content, decision modeling, strategy management and information delivery tools let leaders visualize the impact of decisions to align goals and coordinate execution and perform what-if scenarios. Benchmarks and External Content functionality enable users to incorporate web-based information, such as leading economic indicators, exchange rates and publicly available peer-organization data into the planning process. Customers typically deploy the solution within 6 to 8 weeks.

Pricing is approximately \$100 per module per user per month. The modular pricing model enables companies to select and pay for just the functionality they need to get started, and add incremental, yet integrated capabilities as required over time.

**FIGURE 2: HOST ANALYTICS CPM SOLUTION**



Host Analytics features “smart templates” that enable users to see how calculations are created via an Excel-like front end. The modeling functionality allows for bottom up, top down and middle out modeling. External content can be brought into the system for planning and benchmarking.

The vendor partners with several financials and ERP vendors, including NetSuite, Oracle and Microsoft on the technology side, and works with regional system integrators (SIs) for consulting and implementation.

Host Analytics has worked extensively to streamline integration of Host Analytics with different data sources through a single integrated data schema. Host Analytics Web based architecture leverages integration capabilities that it has built into the architecture, as well integration capabilities sources from third party partners. For instance, Host Analytics leverages Boomi’s packaged integration connectors to create standard

integrations that connect, query and extract data from both on-premise and SaaS data sources in an automated, end-user friendly fashion.

Host Analytics is rolling out a fairly detailed return-on-investment (ROI) assessment to help customers understand the inefficiencies in their current processes, and calculate the payback on implementing its CPM solutions. The tool also helps customers evaluate and compare the total cost of ownership (TCO) of Host Analytics' SaaS solution with that of traditional, on-premise CPM alternatives.

**Strengths:**

- Experienced team that with a strong understanding of upper mid-market companies and larger enterprises CPM needs.
- SaaS-based delivery model can offer TCO advantages compared to on-premise solutions.
- Familiar Excel-like interface.
- ROI model helps customers better gauge potential payback from deploying the solution.
- Broad and robust set of CPM functionality including score carding and financial consolidation, and tools to streamline planning and analysis.
- Comprehensive integration capabilities.
- An attractive offering for mid and upper mid-market companies that want to deploy rapidly and cost-effectively.
- Can be implemented via remote consultants (lowering implementation costs)

**Weaknesses:**

- Lack of on-premise option may exclude Host Analytics in accounts where SaaS is not an option.
- Does not currently offer free trials; however, proof of concept pilots are available.
- Pricing is not available on the Web site, but Host Analytics will fully disclose pricing upon request.

## SECTION 7: ADDITIONAL GUIDANCE FOR MID-MARKET CPM DECISION MAKERS

Effective corporate performance management requires more than software. Mid-market businesses run the gamut in terms of operational and financial complexities, making it essential that decision makers assess their own internal requirements and constraints to select the best-fit option. This internal evaluation provides the context from which to determine how well a given solution will map to business requirements.

For a successful outcome, key stakeholders must be on board. Buy-in from top executives, including the CEO and CFO and/or finance director is critical, and early involvement and input from these stakeholders and others that will use the solution is essential. Providing information and education to illustrate how CPM can provide better visibility into corporate KPIs will help get people engaged in the process.

A needs assessment can identify key goals and desired outcomes to help scope solution requirements. This initial assessment will also help narrow the list of alternatives—from basic CPM to offerings that include consolidation to comprehensive BI suites. Customers should not only consider present needs, but also think about how their requirements are likely to evolve over the next few years. Look for a solution that can provide you with what you need today, and the headroom to add additional capabilities that may be required as the business changes.

Based on in-depth discussions with mid-market CFOs and CIOs that have evaluated, selected and implemented CPM solutions over the last couple of years, here are our recommendations for other key factors that each company should assess:

- ***Do you want a focused, purpose-built CPM solution, or CPM that part of a broader business intelligence solution?*** Solutions designed specifically for CPM (such as Adaptive Planning, Clarity Systems, Host Analytics and others) are typically more cost-effective and faster to deploy than broader business intelligence suites, which often include a CPM component. However, vendors with broad based BI solutions, such as IBM Cognos and SAP Business Objects, offer CPM-specific modules that integrate with the broader suite. Consider both short and long term requirements in deciding which route will best serve your firm's needs.
- ***What other solutions does CPM need to integrate with?*** In all likelihood you will want to integrate financials and ERP solutions—and possibly other BI solutions—with CPM. Many ERP vendors offer pre-integrated CPM modules, and many standalone CPM vendors have done the work to pre-integrate their offerings with popular financials and ERP solutions. Ascertain whether or not the CPM solutions you are considering offer pre-built integration to your existing solutions and how much time and effort are necessary to integrate them.

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*In addition to evaluating different CPM vendors and their solutions, mid-market decision makers need to assess their own internal requirements and constraints to select the best-fit option for their businesses.*

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- ***When do you need to have the solution up and running?*** Most mid-market enterprises do not have months to spend deploying and getting productive with CPM—they often need it operational for the next budgeting cycle. Talk to customers already using the solutions you are considering to get an accurate, realistic picture of how long it will take.
- ***What IT resources do you have internally or available via a third-party to implement, support and manage the CPM solution?*** Do you have internal resources available to take on this new responsibility, or will you need to seek third-party assistance to deploy the solution, provide on-going support, updates and management? For companies that lack the internal resources to take on this role, SaaS or hosted CPM is likely to be a better option than trying to hire or contract for these tasks.
- ***What is the pricing and total cost of ownership (TCO) for the CPM solution?*** Consider not only software and subscription costs but any resources required to design, implement, configure and manage these solutions (including annual maintenance fees), and the hardware necessary to run them over a four or five year period. Look for transparent vendor pricing help you calculate capital and operating expenses and determine how they will map to your budgeting requirements and process without getting blindsided by hidden costs. Many vendors provide pricing calculators to assist with this. Also consider multi-year contracts, which offer a discount. Many midmarket buyers are considering SaaS or cloud-based CPM solutions that offer subscription-based pricing because they eliminate the need for upfront capital investments, don't require on-premise infrastructure, or internal IT support or maintenance, often resulting in reduced TCO.
- ***What are your data security requirements?*** Security is a top concern for all companies, and in some industries, regulatory requirements also come into play when considering a CPM solution. In some cases, specific compliance constraints require companies to deploy on-premise solutions. However, a quality SaaS provider that is SAS-70 compliant and can readily document the physical and virtual security measures can provide better, more secure and more reliable operations than an internal IT department.
- ***Who will be using the CPM solution?*** What will be the split between heavy and casual users? The number and type of CPM users—full users and review users—can vary greatly from company to company depending on company size, process complexity, management culture, planning philosophy, etc. Many CPM vendors provide different pricing options for full users versus review users, and pricing will vary significantly as the ratio between these changes.

- **Where will CPM users be located, and how will they access the solution?** Will users be accessing the solution from multiple locations, remote offices, or while on the road? If so, you need to determine what (if any) additional work will be necessary to provide them with access to the solutions you are evaluating, and look for solutions that provide web-based access and user self-service.
- **How much time and money is the company willing to invest in training users to become productive with the solution?** Corporate cultures and individual tolerance for getting up to speed on new solutions vary wildly. Ideally, CPM solutions should have an interface with a familiar spreadsheet look and feel. You should be able to easily configure the interface and dashboards without help from IT or external consultants, and building models should be intuitive. And, when users can easily create and run reports themselves, they get the KPIs and other information they need more quickly, helping to speed and improve decision-making.
- **How heavily will I need to customize the solution, and how much can I spend on it?** As discussed in Section 4, most SaaS applications are tailored via configuration, not source code customization. In contrast, traditional software can be extensively customized at the source code level—but will require additional investment as well.

## SECTION 8: SUMMARY AND CONCLUSIONS

Streamlining and optimizing CPM processes and results is becoming a strategic imperative for midsize companies as they strive to improve financial agility and establish competitive market advantage. By replacing spreadsheets with CPM solutions, companies can:

- Decrease the time it takes to set up and maintain budgets and forecasts.
- Improve participation, collaboration and visibility into the process, by providing a consolidated unified and accurate view of the planning process.
- Reduce errors through built-in audit trails that help detect mistakes or omissions.
- Gain agility and flexibility, as CPM helps companies to more readily identify when actual performance is diverging from goals, collaborate on remedial action.
- Produce more timely and accurate analysis and reports by dramatically reducing time and labor intensive manual consolidation and reporting efforts required with

spreadsheets, making it easier to input and access more detailed drill down information.

Today, more CPM solutions are available that are specifically designed to meet mid-market requirements than in the recent past. However, vendors' definition of the "mid-market" varies widely from vendor to vendor—and so do pricing, solution capabilities and deployment options.

Companies need to carefully evaluate how well different mid-market CPM solutions map to their unique corporate requirements and constraints. Fortunately, most vendors provide easy access to demonstrations, pilots, proof of concept, and/or free trials to help companies try before they buy—or at least get a good idea of whether a solution will work for them. Advisors, such as third-party value-added resellers (VARs), system integrators (SIs) and consultants can also help guide companies in the evaluation and selection process.

By taking the time upfront to conduct a thorough internal needs assessment and external vendor evaluation, mid-market firms will be well-positioned to select the CPM solution best-suited to their corporate needs—and reap the benefits of a more connected, productive and efficient planning process.

## APPENDIX A: SMB READINESS GRID METHODOLOGY

The SMB Readiness Grid is a graphical representation of solutions for the small and medium business segment for a specific solutions area. It represents market conditions at the time of development of the report. Vendors are selected based on SMB market presence and fit. .

Criteria evaluated include:

- **Company information.** Vendor focus, experience and track record in serving the mid-market; financial stability; growth trajectory and customer commentary about the vendor.
- **Solution capabilities.** Functionality and breadth of core mid-market CPM products and services; whether the vendor provides options for flexible, modular purchase and deployment; delivery options; integration capabilities; service and support; and customer perceptions of ease of use.
- **Marketing strategy and execution.** Breadth and depth of distribution channels to reach and serve mid-market companies; availability of free trial and/or proof of concept; pricing transparency; and marketing outreach.

Ratings are determined through:

- Briefings and one-on-one discussions with vendors.
- Information from vendor websites and discussion forums.
- Publically available company and financial information.
- One-on-one interviews and discussions with end-users.
- Ongoing secondary market research.

Information for each vendor is compiled and calculated as a numerical score from 0-5 for each criterion (0 representing the lowest score, 5 representing the highest score). In some cases where information was unavailable or insufficient, we assigned an average score of 3. Each vendor was provided with a summary of their ratings and positioning on the grid, and asked to review and provide input before the final results were compiled for this report.

Once all vendors' ratings were calculated and finalized, vendors were ranked on a scale of 1 to 7 to show their relative positioning. These ratings are illustrated in *Figure 1* by the size of the sphere, which is also mapped to the breadth of solution functionality on the X-axis, and size of the target customer on the Y-axis.

This represents analysis by the SMB Group based on defined criteria and is intended to provide directional guidance. This is not a representation of the complete universe on vendors that address this market but representative of the vendors that responded to our requests for information and relevant information we obtained from public sources.

#### **SMB GROUP REPRESENTATION**

*The SMB Readiness Grid is a representation of the subset of the available vendor solutions and strategies at a specific time period during which we conducted the study. It represents the SMB Group analysis on how these vendors measure against the defined criteria defined by the SMB Group. The SMB Group does not endorse any vendor, product or business models depicted in this SMB Readiness Grid, and do not advise SMB and mid-market users to select products based on this analysis, it does our views based on our analysis. This is intended solely as a research tool and is meant to only provide directional guidance. The SMB Group disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purposes.*



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