

IDC MarketScape

# IDC MarketScape: Worldwide SaaS and Cloud-Enabled Asset-Intensive EAM Applications 2019 Vendor Assessment

Kevin Permenter

Mickey North Rizza

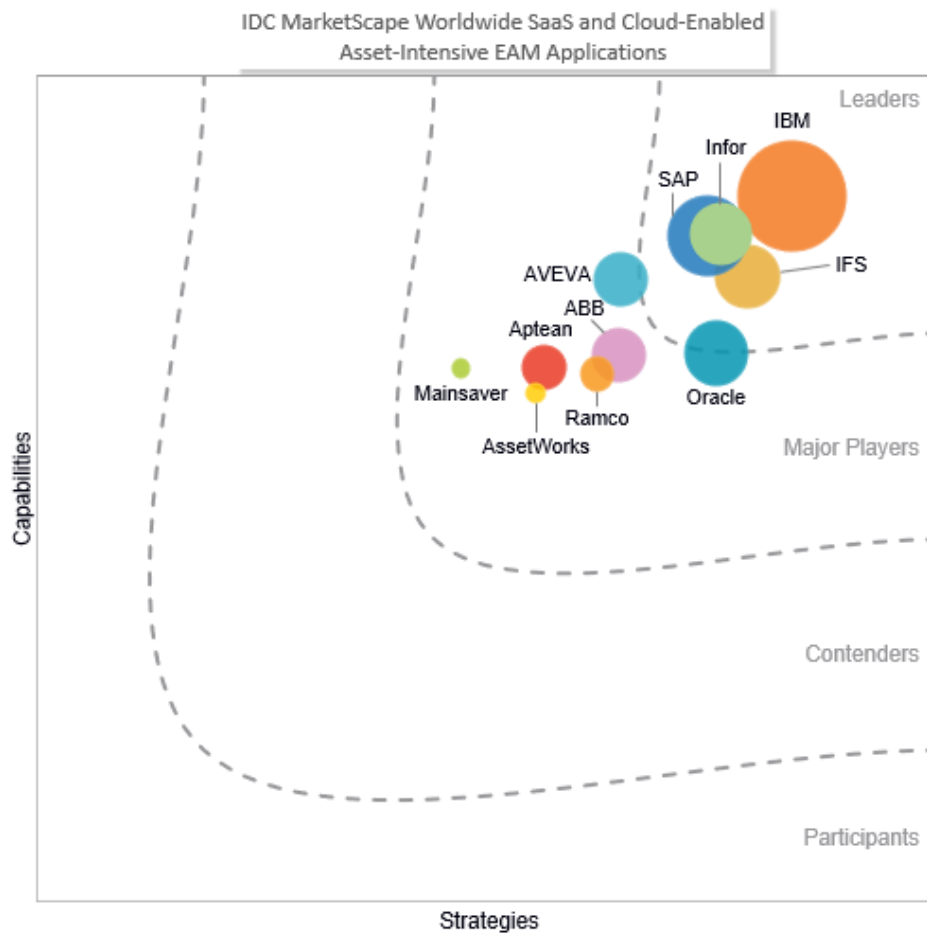
Frank Della Rosa

**THIS IDC MARKETSCAPE EXCERPT FEATURES IBM**

**IDC MARKETSCAPE FIGURE**

**FIGURE 1**

## IDC MarketScape Worldwide SaaS and Cloud-Enabled Asset-Intensive EAM Applications Vendor Assessment



Source: IDC, 2019

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Worldwide SaaS and Cloud-Enabled Asset-Intensive EAM Applications 2019 Vendor Assessment (Doc # US44891419). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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### Digital Transformation Driving Change

Digital transformation (DX) is fundamentally changing financial applications, allowing businesses to transform their decision making, which is enhancing their business outcomes significantly in the digital economy. Digital transformation is an enterprisewide, board-level strategic reality for companies wishing to remain relevant or maintain or enhance their leadership position in the digital economy. Digitally transformed businesses have a repeatable set of practices and disciplines used to leverage new business, 3rd Platform technology, and operating models to disrupt businesses, customers, and markets in pursuit of business performance and growth. DX is driving businesses to rethink their technology strategy, and that includes moving beyond their legacy finance and back-office systems.

### *SaaS and Cloud-Enabled Software Driving Investment*

Instead of continuing to invest in antiquated on-premise systems, smart DX businesses have turned their focus to SaaS and cloud-enabled asset management software because they need flexible and agile asset management applications that are relatively easy to implement, configure, and update. Demand for cloud-based asset management applications continues to grow because of the ability to access and analyze massive amounts of data in near real time. For enterprise asset management (EAM), software data management is a guiding factor to streamlined asset management in asset-intensive environments. In short, businesses are demanding more from their EAM solution than ever before, including using the most up-to-date and advanced systems found in SaaS and cloud-enabled EAM systems. SaaS and cloud-enabled EAM systems enable growing businesses to efficiently manage their assets even in the most complex environments without making major investments into their technology infrastructure because they are extremely adaptive to accelerated rates of change. SaaS and cloud-enabled systems are adaptive to dynamic regulatory and reporting environments, which is why this IDC MarketScape for worldwide SaaS and cloud-enabled asset-intensive EAM applications is extremely important as a technology vendor guide for today's asset management professionals and IT buyers.

### Asset-Intensive EAM

Enterprise asset management software automates the many aspects of managing an organization's physical assets: asset performance management (APM), asset life-cycle management, computerized maintenance management, facilities management, fleet management, integrated workplace management, and maintenance, repair, and overhaul (MRO) operations. The software generally includes functionality for planning, organizing, and implementing maintenance activities, whether they

are performed by employees of the organization or by a contractor, a volunteer, or another individual. EAM is especially complex in asset-intensive industries such as mining, utilities, railroads, construction, and heavy manufacturing, which is characterized by large investments in capital equipment and assets like buildings, land, plants, equipment, vehicles, or heavy equipment.

### **Emerging Role of EAM**

However, the subtler change is the shift in profile of the role of EAM from an often-overlooked business process toward being considered a key part of customer experience for companies in all markets. For example, transportation companies are beginning to use advanced asset management tools and processes to achieve higher customer satisfaction rates for bus riders and commuter rail passengers. Similarly, energy companies are using EAM tools and processes to try to reduce power outages and provide faster and more accurate billing for customers. In retail, companies are using EAM software tools and processes to monitor and manage environmental and lighting controls, which helps maintain a safe and pleasurable shopping environment. As this shift toward better customer experience takes hold in the market, EAM will continue to grow in importance. In addition, the volume of deals in the market (both public cloud and on-premise) will continue to grow over the next five years.

As the perception of EAM as an essential element of customer experience grows in asset-intensive industries such as utilities, construction, and railroads, companies will be faced with the following challenges:

- **Data management issues:** As the number of data sources available to the asset manager continues to grow (sensors, spatial data, visual data, etc.), managing, merging, and analyzing these pools of data at speed will be a tremendous challenge for EAM professionals over the next five years.
- **Staffing and development:** The function is often under-resourced in terms of staffing, training, and development. This under-resourcing erodes motivation and creates a counterproductive culture among the staff.
- **Legacy technology:** A lack of technology investment is very apparent in many businesses. Some organizations have yet to move past legacy systems and spreadsheets for critical EAM functions like repair order management, work scheduling, and replace/repair decisions.

The goal of this document is to provide potential software customers with a list of asset-intensive EAM software companies that have taken great strides to address the challenges previously listed. We have profiled and assessed their capabilities to support the complicated area of asset-intensive EAM software.

### **IDC MARKETSCOPE VENDOR INCLUSION CRITERIA**

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The vendor inclusion list for this document was selected to accurately depict the vendors that are most representative of any given EAM functional buyer's selection list. Vendors were further investigated to ensure that their offerings qualified as "SaaS or cloud enabled" and that they had won recent deals. Also, the companies included must derive more than 50% of their annual revenue from the following list of asset-intensive industries: mining, utilities, railroads, construction, and heavy manufacturing. These industries are typically characterized by large investments in capital equipment and assets like buildings, land, plants, equipment, vehicles, or heavy equipment. Further, the vendor was selected if its software had elements to support asset management, maintenance management, work orders, preventive maintenance, inventory management, and asset life-cycle management.

## ADVICE FOR TECHNOLOGY BUYERS

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EAM applications are evolving rapidly as vendors are investing research and development (R&D) dollars into bolstering, augmenting, and in some cases, redesigning their EAM applications. As a result, it is extremely important for end users to understand how vendors and their solutions are positioned currently as well as how those vendors and their solutions may be positioned in the next three to five years.

Innovation is an essential part of the "buy" decision, so a guiding factor in our vendor research was the 3rd Platform and innovation accelerators' current capabilities in addition to the strategic and investment direction. It is the critical buyers that are looking for a technology partner that can take them well into the future and meet the speed that is key according to business needs.

Several vendors outlined in this research study have a narrower focus for their EAM software packages, focusing on asset-intensive industries. Other vendors are focused on serving organizations in vertical industries such as retail, healthcare, wholesale/distribution, public sector, or professional services. The vendors vary widely in terms of size, experience, levels of support, sales model, and focus on the market.

Before making purchasing decisions on SaaS and cloud-enabled asset-intensive EAM software, businesses should consider the following questions:

- Does the vendor have experience in successfully implementing EAM solutions with my type of product, service, and company size?
- Is the vendor knowledgeable about environmental/safety regulations and guidelines both locally and globally as they affect my company?
- Does the vendor understand the regulations that will impact my business? How are these regulations reflected in my current product, and how will it change in the future?
- What levels of support are available, and are they geographically available for my business?
- What are my internal support resources and capabilities?
- Should I hire a third party to plan and assist with the implementation of the solution?
- Is the vendor financially able to provide the needed support? Can it support needed investment in the development of future EAM software requirements?
- Is the vendor committed to this market in the long term?
- Is the ROI achievable? Does the vendor have a track record of meeting the ROI requirements?
- Can the vendor or partners support my foreign operations?
- Can the vendor integrate with my company's other IT systems and those of my partners?
- Is the product available anywhere and anytime?
- Is the product updated frequently enough for my business needs?
- What new innovations is the vendor considering? How and when will it impact my business?
- When will DX use cases be built out in the product? How will it impact my business processes and outcomes?
- What is the vendor's strategic investment outlook for the next three to five years? Why? How will that change and enhance my business?
- Will the vendor be a partner, helping my business grow now and in the long term?

This IDC MarketScape assists in answering these questions and others. There have been a few high-profile acquisitions that have dramatically reshaped the market landscape for asset-intensive EAM solutions. IDC expects that continued consolidation and specialization by niche may occur as the market for SaaS and cloud-enabled EAM matures.

## VENDOR SUMMARY PROFILES

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

### IBM

After a thorough evaluation of IBM's strategies and capabilities, IDC has positioned the company in the Leaders category in this IDC MarketScape for SaaS and cloud-enabled asset-intensive EAM applications.

IBM is a public vendor of enterprise software, services, and hardware. IBM was founded in 1911 and is headquartered in Armonk, New York. IBM has three Maximo offerings: Maximo Fundamentals, Maximo SaaS, and Maximo Flex. In addition to meeting the requirements for manufacturing and facilities with core Maximo, IBM has developed specific industry solutions, which are all available as SaaS offerings, for key asset-intensive industries: utilities, oil and gas, nuclear power, transportation, aviation, and life sciences. Quick facts about IBM are as follows:

- **Employees:** The company has 360,000+ employees.
- **Globalization:** IBM supports sales in 170 countries, 13 languages, and 20 currencies.
- **Industry focus:** It targets all asset-intensive industries.
- **Ideal customer size:** IBM customers range from the lower midmarket to large enterprises.
- **SaaS:** IBM is offered in a multitenant deployment at the application, database, and cloud infrastructure layers.
- **Pricing model:** Annual subscription fees are based on the number of users.
- **Largest customer:** IBM's largest SaaS client has 24,000 buildings and 2.5 million assets.
- **Partner ecosystem:** IBM has 300+ certified implementation partners.
- **Interesting stat/fact:** IBM invests \$6+ billion per year in R&D.

### Strengths

- **Size/access to resources:** One of IBM Maximo's most important benefits is that it is a part of an \$80 billion company, which gives IBM Maximo product management access to innovative technologies from within IBM for cloud, cognitive, analytics, and mobile.
- **Brand/industry experience:** IBM Maximo has been at the forefront of EAM software for nearly three decades. As a result, IBM has developed a large and fervent client base that it can tap into for product development. Over the years, IBM has collected a large ecosystem of EAM business partners that have deep industry/domain expertise.

### Challenges

- **Limited history with midmarket customers:** IBM Maximo is targeted at larger enterprise clients that demand full-functioning EAM solutions and capabilities. It has a lower success rate when

competing for smaller clients where price is a major consideration and factor in their decision-making process.

- **Transition to cloud:** While IBM has a long history within EAM software, much of that history has been in selling on-premise solutions. This is the growing challenge for IBM Maximo. IBM must balance the needs of its long-time users (many more than 25 years) but still be able to provide the more modern user experience demanded by the younger asset managers.

### *Consider IBM When*

Consider IBM when you are a larger (upper midmarket to enterprise) company in an asset-intensive industry. You are likely looking for an EAM system with deep functionality and from a company with deep experience in the industry.

## APPENDIX

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### Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

### IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

### Market Definition

Enterprise asset management (EAM) applications software automates the many aspects of managing an organization's physical assets: asset performance management, asset life-cycle management, computerized maintenance management, facilities management, fleet management, integrated workplace management, and maintenance, repair, and overhaul (MRO) operations. The software generally includes functionality for planning, organizing, and implementing maintenance activities,

whether they are performed by employees of the organization or by a contractor, a volunteer, or another individual. Typical features include equipment history record management, descriptions of items maintained, scheduling, preventive and predictive maintenance on the assets, work order management, labor tracking (if integrated within the maintenance management applications), spare parts management, and maintenance reporting. An organization's assets may include buildings, oil rigs, pipelines, mining equipment, manufacturing equipment, and fleets that may be stationary but are often moving, floating, and flying, increasing the need for sensor, mobile, and wearable technologies to manage these large, complex, expensive, and often aging assets.

## LEARN MORE

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### Related Research

- *IDC Market Glance: Enterprise Asset Management, 2Q18* (IDC #US43263318, June 2018)
- *Enterprise Asset Management and Field Service Management: Bridging the Gap Between EAM and FSM* (IDC #US43838516, May 2018)
- *IDC's Forecast Scenario Assumptions for the ICT Markets and Historical Market Values and Exchange Rates, Version 1, 2018* (IDC #US43651518, April 2018)
- *Enterprise Asset Management: The Potential and Challenges of IoT for EAM* (IDC #US43590516, March 2018)

### Synopsis

This IDC study provides an assessment of the prominent SaaS and cloud-enabled asset-intensive EAM application solutions and discusses what criteria are most important for companies to consider when selecting a system.

"More and more EAM professionals in asset-intensive industries are finding themselves flooded with data, which makes data management a tremendous challenge going forward. The data management issues will factor heavily in the asset-intensive EAM adoption trends and selection of products over the next five years," says Kevin M. Permenter, senior research analyst, Enterprise Application.

## About IDC

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

## Global Headquarters

5 Speen Street  
Framingham, MA 01701  
USA  
508.872.8200  
Twitter: @IDC  
idc-community.com  
www.idc.com

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