Magic Quadrant for Enterprise Integration Platform as a Service, Worldwide

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Summary

Application managers and directors of integration are being challenged to integrate hybrid application portfolios as well as provide easy access to the data within those systems. This Magic Quadrant can be used to assess the ability of integration PaaS vendors to meet these rapidly evolving needs.

Strategic Planning Assumption

By 2019, iPaaS will be the integration platform of choice for new integration projects, overtaking the annual revenue growth of traditional application integration suites on the way.

Market Definition/Description

Integration platform as a service (iPaaS) is a cloud service that provides a platform to support application, data and process integration projects, usually involving a combination of cloud-based applications and data sources, APIs and on-premises systems. Integration PaaS delivers some combination of the capabilities typically found in enterprise service buses, data integration tools, B2B gateways, managed file transfer products and API management platforms. IT departments, line-of-business developers, mobile application development teams, application teams and even business users (aka "citizen integrators") leverage these capabilities to develop, execute and manage integration interfaces (or "integration flows").

Integration PaaS functionality typically includes:

- Support for (and bridging between) a variety of connectivity protocols and data/message delivery styles
- Adapters for cloud-based and on-premises applications, data sources and technology adapters such as Open Database Connectivity (ODBC), HTTP, Java Message Service (JMS), and others

- On-premises software agents to enable secure communication between on-premises systems and the iPaaS environment
- Data/message mapping and transformation
- Data quality
- Routing and orchestration
- Integration flow development and life cycle management tools
- Adapter developer toolkits
- Integration flow management, administration and monitoring
- API management
- Community management
- Reusable integration templates
- Prepackaged integration flows (cloudstreams)
- Integration marketplaces

As discussed in the Inclusion and Exclusion Criteria section, not all of these capabilities are required for a cloud service to qualify as an iPaaS. At this stage, some of them are considered as helpful optional capabilities (for example, data quality, API management, adapter developer toolkits, community management and cloudstreams), even if they may become more relevant as market demand evolves.

This flexibility results in a market with vendors that have very different offerings from each other in terms of both product and business model:

- Some vendors may choose to focus on a limited set of integration capabilities or industry verticals, or are tightly aligned with a limited set of application provider ecosystems (for example, Salesforce, NetSuite, Workday, SAP, Microsoft and others). We refer to these as specialized iPaaS.
- Other vendors have focused on supporting a wide range of integration use cases and ecosystems. We refer to these as general-purpose iPaaS.

When it comes to the accessibility to the underlying platform, again we see wide variations:

- Some vendors provide access to virtual machines for things such as memory, compute and storage. We call these high control iPaaS.
- Others hide all this from the client and emphasize ease-of-use. We call these high-productivity iPaaS.

Although the functionality of an iPaaS solution is implemented by the provider through software technology, the solution itself is a cloud service, not a software product. This Magic Quadrant therefore considers only those integration platforms that are in the form of public cloud services, not as software products for on-premises deployments.

The ability to also deliver iPaaS functionality in the form of equivalent on-premises middleware products, or as part of a wider hybrid integration platform (HIP), is a capability buyers increasingly require and that is likely to become a necessary feature to compete in this market.

Magic Quadrant

Figure 1. Magic Quadrant for Enterprise Integration Platform as a Service, Worldwide

Source: Gartner (March 2016)

Vendor Strengths and Cautions

Actian

Actian focuses on big data, and how data can be transformed into value for global businesses, using analytics. The Actian Analytics Platform includes several products, such as Vortex (for Hadoop), Matrix and Vector. The iPaaS offerings are packaged in Actian DataCloud (data integration between SaaS applications) and Actian Business Xchange (data integration in B2B processes), which have been on the market since 2009.

The data integration capabilities of these offerings can be delivered in the cloud, on-premises, via a hybrid model or via the Actian Concierge service — where customers contact Actian subject-matter experts who then configure, install, manage and support integrations on their behalf on the cloud platform. Actian's customers are mainly in North America.

STRENGTHS

A natural iPaaS extension of Actian's analytics offering. Actian DataCloud is a natural iPaaS option for the numerous clients of Actian's data management and analytics products.

Concierge. The Actian Concierge service, which is now available to current Actian customers, is innovative and a powerful delivery channel for iPaaS if kept tightly managed; some of the client requests received by Concierge might be too complex or time-consuming to be addressed in a remote conversation.

Partnering program. Actian has invested heavily in its partner-marketing programs (NetSuite SuiteWorld and SDN Partner Roadshow, CGI Forum, PIDX International, and more), and offers powerful integration options with them.

CAUTIONS

"Only" data. While adoptions and deployments frequently focus on data-oriented scenarios, Actian's iPaaS does not address comprehensive orchestration flows and process integration, and has no plans to do so.

Customer experience. In the survey conducted as part of this study, customers expressed their concern with the length of the learning curve to get an Actian-based integration flow to production, and with its administration, monitoring and management tools.

Vision on iPaaS. The lack of visibility in the iPaaS market and the absence of a firm roadmap on how Actian DataCloud will evolve will be challenging in competitive bids and for more strategic iPaaS deployments.

Adaptris

Adaptris was founded in the U.K., but has offices, data centers and customers around the world. The company has a long history of facilitating application integration: it started marketing adapters for integration brokers (hence the name) and now offers a modern B2B-focused iPaaS offering that retains functional application-to-application integration capabilities. In addition, the company offers integration brokerage managed services (an outsourcing offering to interconnect business partners and manage the document exchange between them). Typically, Adaptris sells its iPaaS and integration brokerage managed services together.

Cirrus, the company's main iPaaS offering, has been in the market since 2001 and can be deployed on-premises or in the cloud. The key design philosophy of the Interlok framework, which Cirrus implements, is the ability to apply the right amount of integration technology in the appropriate place using common standards.

At the end of October 2015, Reed Business Information (RBI) acquired Adaptris in order to expand its e-solutions business. RBI is part of RELX Group (formerly known as Reed Elsevier) and provides business information, industry data services and workflow solutions in multiple formats across a variety of sectors.

STRENGTHS

Maturity. Adaptris has a mature iPaaS offering using well-proven technology on-premises, but has also been redesigned for the cloud; it has more than 3,000 customers worldwide, especially in the farming and "agrifood" industry but also in several other industries. Adaptris' product model scales well and the company is well-accustomed to working with large-enterprise clients.

Potential. Selling iPaaS and integration brokerage together, Adaptris is well-positioned to take full advantage of the projected growth of B2B APIs, provided it can deliver core API management functionality during 2016.

Solid business model. Adaptris' business model is well-proven and works well internationally. The recent acquisition by RBI enhances the company's viability and strengthens the power of its solutions development.

CAUTIONS

Marketing. The lack of significant marketing activities has impaired Adaptris' growth in past years.

Agrifood dominance. Despite Cirrus having obvious strengths across several verticals, the offering has mainly been sold in the farming and agrifood industry. Adaptris' vision and overall execution as an RBI unit is still too dependent on (and possibly constrained by) this vertical.

Recently acquired. The recent acquisition is proof of RBI's commitment to using the current Adaptris product line going forward; however, in every acquisition there is always the chance of fundamental changes in product strategy that cannot be foreseen at the time of acquisition.

Attunity

Founded in 1988 and based in Burlington, Massachusetts, U.S., Attunity serves more than 2,000 customers in 60 countries with its various data integration products. Attunity positions CloudBeam as a subscription-based, pay-as-you-go cloud service (that is, iPaaS). It enables near-real-time data movement and replication across heterogeneous enterprise data platforms and cloud environments.

Each customer is provided with unique instances of CloudBeam (isolated tenancy), which is offered through Amazon Web Services (AWS), to load and synchronize data into Amazon's Redshift, Elastic Compute Cloud (EC2), Relational Database Service (RDS) and Simple Storage

Service (S3). It is also available for Microsoft Azure SQL Data Warehouse, and was announced for Google Cloud SQL in December 2015.

STRENGTHS

Data integration expertise. Attunity has a strong history and proven cloud and on-premises capability for data replication and change data capture (CDC); CloudBeam leverages Replicate (Attunity's proven on-premises technology) for high-performance data movement and is used by about 300 enterprise clients.

Broad platform support. CloudBeam's easy-to-use, Web-based interface allows a user to connect source and target endpoints across AWS, Microsoft Azure and Google, and more than 35 on-premises sources, including IBM DB2, IBM Informix, Oracle, Microsoft SQL Server, Sybase and Teradata.

Cloud pricing. Attunity's straightforward usage-based pricing model and quick time-to-integration attracts both midsize and large businesses focusing on cloud data integration.

CAUTIONS

Functional gaps. CloudBeam supports the full load and incremental data transfer and loading from sources to targets. There is no explicit support for important application integration use cases such as composition or cloud service integration of SaaS offerings. Additionally, there are no features supporting API publishing and API management. Therefore, CloudBeam will appeal mostly to users with data integration needs such as change data capture and data synchronization.

Limited awareness. CloudBeam's visibility remains low to prospective buyers of iPaaS; Gartner sees it infrequently in competitive situations. While Attunity has a direct sales force, the product is promoted heavily via the cloud marketplaces on AWS, Microsoft Azure and Google Cloud.

Client experience. Gartner was unable to interview client references, either for the CloudBeam product or the Attunity vendor experience, so client experience regarding the company and its iPaaS product is unknown.

Celigo

Celigo, originally a U.S.-based integration technology and professional services company, entered the cloud service integration platform market in 2008, when it released its first-generation iPaaS offering (Celigo Integrator) and an associated set of prepackaged integration content.

In February 2016, Celigo commercially launched Integrator.io, its second-generation Node.js-based iPaaS offering. Celigo also sells a variety of NetSuite-centric cloudstreams (Celigo SmartConnectors) and packaged composite applications (Celigo Productivity Apps), which are sold as independent SaaS offerings that are built on and "embed" the company's iPaaS.

STRENGTHS

Installed base and customer orientations. More than 750 organizations have purchased Celigo offerings to support multiple NetSuite-centric integration scenarios. Of those, about 200 directly procured the basic iPaaS offering and about 675 use some cloudstreams/packaged composite applications. Clients rated Celigo above average for commercial support, its sales team's reliability and professional services.

Ease of use and attention to nonspecialists in integration. Given its initial focus on NetSuite customers — a SaaS ERP provider that targets the small or midsize (SMB) market — Celigo is well versed in supporting midsize organizations and ad hoc and citizen integrator requirements for ease of use and rapid integration. Clients rated the Celigo offerings above average in overall ease of use and ability to meet SLAs, as well as in technical quality, reliability and quality of service.

Funding, strategy and focus. In December 2015, Celigo collected a first round of investments, which it will use to fund ambitious sales, marketing and geographic expansion plans as well as to finance its technology evolution. At the same time, the consulting arm has been spun off into a separate company (Upilio Consulting), so that Celigo is now fully focused on pursuing a cloud integration strategy.

Technology platform modernization. The new Integrator.io is a complete redesign and reimplementation of the Celigo's iPaaS on top of the Node.js stack, deployed on AWS. The new architecture is much more flexible, open and partner-oriented than the previous NetSuite-based generation. It will allow Celigo to address the requirements of multiple ecosystems, such as Salesforce (a priority for 2016) and others in the future. The new platform, primarily focused on supporting adaptive integration approaches and SmartConnectors developed by third parties, also includes a marketplace, distributed adapters, an extension framework, a template repository, a notification framework and a citizen integrator-oriented development interface (the Assistant).

CAUTIONS

Slower growth than main competitors. In 2015, Celigo could not invest in sales and marketing, because of the massive technology, organizational and strategic changes it went through and the limited capital available throughout the year (prior to receiving the new funding). Although it grew its customer base by a notable 35%, this is less than the growth shown by some of its competitors (which in some cases doubled or even tripled the number of their clients).

Geographical coverage. Although Celigo plans to expand its geographic coverage in 2Q16 via reseller partners, its limited commercial presence in EMEA and Asia/Pacific makes the Celigo iPaaS offering scarcely relevant for organizations based in those regions.

Technology and business strategy transition. Through the launch of Integrator.io, Celigo is going through massive technology and strategic transformation. This implies engaging in a much more competitive business environment (outside of its NetSuite comfort zone), while

growing its sales organization, setting up a partner network, and dealing with the technical and commercial issues typically associated with the launch of a new offering. Managing all these transformation plans and supporting established clients' migration to the new iPaaS offering will put the company under stress and risks compromising the quality of its relationship with clients.

Versatility. Although the new Integrator.io will make Celigo attractive to a much broader audience than the NetSuite installed-base, minimal or missing support for ground-to-ground integration use cases (due to the lack of an on-premises iPaaS deployment option), for EDI-based B2B integration, for IoT integration and for big data/analytics will make Integrator.io scarcely attractive for organizations looking for a highly versatile iPaaS.

DBSync

Founded in 2009, DBSync provides capabilities for integrating data among databases, applications and cloud sources, via on-premises and cloud deployment models.

DBSync's iPaaS offering, Cloud Workflow, leverages data replication and synchronization capabilities to enable access, sharing and distribution of data across heterogeneous applications, database management systems, and cloud services (including Salesforce and Microsoft CRM Online, among others). Targeting the integration needs of e-commerce and accounting operations in SMBs, DBSync pursues a direct-sale strategy and is expanding its focus on providing integration capability via a partner network.

STRENGTHS

Data integration experience. DBSync's iPaaS solution supports data requirements in cloud service integration by enabling data connectivity, data movement, and data capture and propagation. Reference customers identify its ability to support data that needs to be migrated to or synchronized with cloud applications as key points of value.

Incremental approach to fulfilling integration. For extending integration functions to work with SaaS applications, DBSync's AppCode supports adapter development and construction of integration flows for cloud deployment.

Positive customer relationship. Selection of DBSync's iPaaS offering is often influenced by a positive perception of its business relationship; reference customers report a positive overall experience with DBSync, both before buying and after deployment.

Cost model. DBSync's low cost-of-entry model and modest annual subscription pricing for fully featured software are attractive to customers.

CAUTIONS

Versatility. DBSync deployments predominantly reflect use for limited-scale support of pragmatic or departmental-level tactical projects.

Technical documentation. While DBSync's references reflect satisfaction regarding overall commercial engagement and price point, customers highlighted a need for improvement in support for technical documentation, which DBSync is addressing.

Market alignment and messaging. Cloud Workflow is evolving, driven by current users' needs; however, the vendor's present strategy for this offering does not articulate a comprehensive vision to the iPaaS market.

Mind share. Awareness of Cloud Workflow and brand recognition of DBSync in the iPaaS market remains limited. DBSync seeks to increase its market reach through expansion of connectivity to SaaS providers, and joint marketing.

Dell Boomi

Dell Boomi is a Dell Software Group business unit that derives from the acquisition of the iPaaS veteran Boomi in 2010. It provides the Dell Boomi AtomSphere iPaaS offering, the Dell Boomi master data management (MDM) cloud MDM hub service, and the Dell Boomi API Management offering.

AtomSphere is available in several editions — differentiated by breadth of functionality and the number of supported endpoint connections. Functional add-ons and additional connections are provided "a la carte." Standard support is included in the AtomSphere subscription, and premium support options are available separately.

STRENGTHS

Growth and market traction. Dell Boomi's 3,800 clients (approximately 1,000 added in 2015) include both midsize and a growing number of large organizations that use AtomSphere for a range of use cases. Dell Boomi enjoys an expanding partner network of SaaS providers and specialty and global system integrators. Despite this fast growth, clients rate their overall relationship with Dell Boomi as above average.

Functionality and quality of service. AtomSphere is a well-proven and powerful platform that supports a wide variety of integration use cases. It provides advanced capabilities to facilitate development, test and operation as well as hybrid deployment models, advanced cloud capabilities and quality of service. Clients score AtomSphere as above average for ability to meet SLAs, functional completeness, ease of use, technical quality and reliability.

Go-to-market strategy. Dell Boomi plans further expansion in EMEA and Asia/Pacific, is refreshing its traditional SMB market focus and is implementing an OEM incubator program. A focus on healthcare, e-procurement and human capital management is expected to drive diversification and growth. Dell Boomi is pursuing the IoT opportunity in cooperation with other Dell business units.

Roadmap. The AtomSphere roadmap addresses innovations, such as support for Docker to enable greater deployment flexibility and openness; API developer portal and reporting; dynamic routing and orchestration; enhanced B2B trading partner management; extended

IoT capabilities; new SaaS adapters; new crowdsourcing-enabled services; a community website; and integration templates to increase developers' productivity.

CAUTIONS

Geographical presence. During 2015, Dell Boomi experienced fast growth in both EMEA and Asia/Pacific and an expansion of its international partner network, but its commercial and support capabilities outside of the U.S. are still weaker than those of some of its competitors. This may limit its ability to serve organizations that operate internationally.

Pricing and total cost of ownership (TCO). Although customers' satisfaction rating for AtomSphere's pricing is average, its price point is scarcely appealing for SMB organizations. Therefore its pricing model, price point or overall perceived TCO are mentioned by SMB prospects as among the main reasons for discarding Dell Boomi in their iPaaS evaluation processes.

API management functionality. Although Dell Boomi added several API management functionalities during 2015, AtomSphere's features in this area are relatively new, and less comprehensive and mature than those of some competing iPaaS offerings.

Dell's acquisition of EMC. The impending acquisition of EMC (if and when it happens) will lead to organizational changes within Dell that might have some impact on even isolated and semiautonomous business units such as Dell Boomi.

IBM

IBM currently has two iPaaS products. WebSphere Cast Iron Live is its high-productivity iPaaS solution, delivered through a shared-everything, multitenant architecture deployed across multiple data centers and operated by SoftLayer (IBM's IaaS company). IBM Integration Bus on Cloud, which was made generally available in September 2015, is a high-control iPaaS offering and is not evaluated as part of this research.

The WebSphere Cast Iron Live offering (currently in version 7.5) consists of two editions: WebSphere Cast Iron Live Standard Edition, for more basic cloud integration scenarios; and WebSphere Cast Iron Live Enterprise Edition, which adds enterprise connectors, data quality tools, basic API management capabilities, and enhanced development and management capabilities.

STRENGTHS

Geographical presence. During 2015, IBM continued the deployment of Cast Iron Live across its IBM SoftLayer Data centers across the globe, as well as being able to deploy in the data center of the clients' choice. With a strong integration history and a global network of more than 3,000 partners, IBM has a global reach.

Roadmap. The roadmap of the underlying platform looks to provide comprehensive integration capabilities that can be accessed as a stand-alone iPaaS solution with Cast Iron Live, and also as the underlying runtime engine for many of the hybrid integration services

available on IBM Bluemix. With personas available to accommodate a broad range of users — such as application developer, specialist integrators, ad hoc integrators, citizen integrators and data scientists — IBM's iPaaS offering could be highly competitive in the future, if packaged right.

Citizen integrator support. During IBM InterConnect 2016, a new citizen integrator product was introduced, called IBM App Connect, based on the next-generation iPaaS engine. IBM plans to utilize this new engine for future releases of Cast Iron Live.

Vendor support. In Gartner's recent iPaaS end-user survey, Cast Iron Live users rated IBM as a leading vendor with regards to overall vendor satisfaction, particularly praising the quality of its professional services.

CAUTIONS

Growth. While IBM reported good revenue growth for its cloud-based integration offerings overall, Cast Iron Live did not perform as well as its major competitors with regard to end-user adoption of the platform. This is largely due to the strategic focus on a broader HIP (in line with Gartner HIP research), including Bluemix Hybrid Integration Services, heavy investment in the underlying platform and delivery of other related integration services such as IBM Integration Bus on Cloud.

Go-to-market strategy. IBM's focus for 2015 — on broadening the underlying platform capability and leveraging Bluemix services as its primary channel — meant that its Cast Iron Live has lost substantial mind share within the Gartner client base, with a noticeable drop in inquiry about the platform. This is also reflected in the recent Gartner survey of iPaaS users, with IBM being selected for evaluation less often than its major competitors.

Customer Experience. In Gartner's recent iPaaS end-user survey, the low ratings of Cast Iron Live users for the overall "cloudiness" of the solution and the operational management and monitoring of the platform were of particular concern. IBM has plans to address these issues during 2016.

Informatica

Founded in 1993, Informatica is an independent software provider for data integration, data quality, data masking and master data management technologies among the variety of tools in the Informatica Platform. Informatica has its roots in providing on-premises data integration technologies, with PowerCenter as an established flagship product. Informatica Cloud leverages the Informatica Platform to offer various iPaaS editions, including: a Professional Edition for data synchronization; a Basic Edition that adds sharing of reusable integrations via a common repository; an Advanced Edition that includes hybrid integration, API support and a sandbox environment; and a Premium Edition to provide real-time capability for both cloud data and application integration.

In 3Q15, Informatica was taken private through its acquisition by a group of investors controlled by the Permira funds and Canada Pension Plan Investment Board, with Microsoft and Salesforce Ventures (Salesforce's corporate investment group) also strategic investors in the company.

STRENGTHS

Depth and breadth in data integration. Informatica's iPaaS solutions are largely applied to data management use cases in multiproject enterprise deployments involving cloud and on-premises hybrid integration. Plans to enrich Informatica's iPaaS with metadata support (leveraging the Informatica Platform's Live Data Map) and data security (via the Secure@Source project) enhance its governance support.

Market and mind share. Having approximately 4,500 iPaaS customers, Informatica secures a strong share, and competition, in this market, addressing SaaS and PaaS ecosystems including Salesforce, NetSuite, Workday, Amazon Redshift, Microsoft Azure, Marketo, and various enterprise applications.

Appeal to diverse roles. Customers report overall ease of use and speed of iPaaS deployments as strengths. A balanced focus on diverse personas (from citizen integrators, through line-of-business roles to enterprise IT) by aligning iPaaS with Informatica's data preparation product, Rev, appeals to buyers seeking self-service in analytics and operational activities that involve big data and digital environments.

Capitalizing on partner ecosystems. Through broadening partnerships with independent software vendors (ISVs), SaaS providers and implementation service providers, Informatica continues to extend its iPaaS market reach. Evolving offerings to deepen its synergy with partners includes IoT integration for Salesforce and enhancing its iPaaS applicability to the marketplaces of AWS, Tableau, and Microsoft's analytics and Azure environments.

CAUTIONS

Cost. Reference customers identify Informatica's pricing and cost for iPaaS, relative to their expectations and budgets, as adverse factors during competitive evaluations.

Versatility. Informatica's iPaaS customer base still tends to skew toward Salesforce deployments, although traction in other cloud ecosystems is increasing. Usage for multistep process integration with complex choreography and workflow is less common, because customers are largely drawn to Informatica's established strength in data integration.

Frequency of updates. Customers would like product updates delivered on Informatica Cloud to be more frequent than currently provided.

Licensing flexibility. Licensing constraints that prevent transferrable usage of data connectors between cloud and on-premises (such as PowerCenter) environments are cited as a challenge when working with incumbent integration platforms procured from

Informatica.

Jitterbit

Founded in 2004, Jitterbit originated as provider of integration solutions to connect enterprise applications, DBMSs and Web services environments. In 2010, Jitterbit began providing Jitterbit Enterprise Cloud Edition, an iPaaS rendition of its equivalent on-premises product, offered via Amazon's cloud infrastructure.

Release of the Jitterbit Harmony Cloud platform in 2014 provided full multitenancy support and extended applicability for the integration of diverse cloud, interenterprise and on-premises environments, as well as API-enablement of integration projects and processes. A free 30-day trial of Jitterbit's iPaaS is offered. Solutions for ISVs and SaaS providers are offered to enhance market channels and provide prebuilt templates for the most common cloud and on-premises integrations.

STRENGTHS

Integrated offering and time to value. Jitterbit's iPaaS offering provides a combination of data integration, process automation and API support in a single platform. Customers appreciate the tight integration of the underlying components and the ability to support rapid implementation.

Growth traction. Experiencing increased mind share and presence in competitive situations, Harmony sales exhibit rapid growth in both customers and revenue, with a paying customer base of more than 900 companies and the potential to capitalize on prospective opportunities from more than 40,000 freemium iPaaS users.

Customer relationship and overall satisfaction. Reference customers report a high degree of satisfaction with Jitterbit's technology reliability, services, support, and their overall relationship with the company in presales and postimplementation.

Capitalizing on demand. Synergy between Jitterbit's iPaaS offering and process automation tooling enables business process or SaaS owners to connect and automate business flows among a wide variety of cloud and on-premises applications — including Salesforce, NetSuite, Autodesk, SAP, Oracle and Microsoft. Jitterbit's evolving focus on integration of the IoT and big data — for addressing healthcare, connected cars, mobile and transportation businesses — sets out to capitalize on digital opportunities.

CAUTIONS

API publishing. More robust capabilities for API publishing through public Web/portal interfaces are cited as areas for improvement by Jitterbit's reference customers. These capabilities are increasingly required by organizations that onboard their customers by offering integration services using Jitterbit's iPaaS.

Guidance and documentation. Reference customers want improvements to Jitterbit's training and documentation (for its products) and best practices, to enhance the quality of implementation and skill development.

Market presence. While Jitterbit continues to grow its customer base, it still has a relatively limited market presence compared with its major competitors. Jitterbit is continuing its increase in global coverage through AWS data centers, direct operations in Europe and by leveraging partnerships.

Citizen integrator support. Jitterbit is evolving to support line-of-business and nontechnical users with self-service capability, although market experience and recognition of Jitterbit in this area is limited.

Microsoft

Microsoft's Azure BizTalk Services is its currently available iPaaS offering, and was the basis for the product and customer evaluation for this Magic Quadrant. Like other large vendors, Microsoft plans to provide its future iPaaS capabilities (Logic Apps) as a separately available component of its newer PaaS suite — Azure App Service. Logic Apps is positioned as being more functionally complete than Azure BizTalk Services and BizTalk Server 2013 R2, and is expected to be generally available in 2Q16.

Azure App Service will supplement Logic Apps with API Apps (API management), Web Apps (Web scale application development) and Mobile Apps (mobile app development). Thus, it's not surprising that Microsoft is positioning Logic Apps plus Azure Stack (Logic Apps Plus) as an alternative to BizTalk Server — recommending that clients consider Logic Apps Plus for new, on-premises integration projects in which cloud connectivity is a primary driver.

The current version of Azure BizTalk Services will remain available for an unspecified period of time.

STRENGTHS

Global reach. With more than 100 data centers (located in 28 regions around the world) at which Azure is deployed, there are no geographical limits to deployments of Azure BizTalk Services (or new Logic Apps) interfaces.

Installed base. Azure BizTalk Services is currently used by more than 700 enterprises and BizTalk Server has more than 12,000 customers and will have its tenth major release in 2016. These two, combined with the large Azure client base, provide Microsoft with a huge pool of potential customers seeking cloud and hybrid integration capabilities.

Cloud focus. CEO Satya Nadella has made support for cloud and mobile a high priority; while BizTalk Server and Logic Apps will evolve independently of one another, the integration roadmap shows a trajectory of functional parity between cloud and on-premises offerings over time — with an emphasis on cloud or hybrid deployment options.

CAUTIONS

Product viability. Users cite confusion over the long-term viability of Azure BizTalk Services, because the company has changed track from BizTalk Server to BizTalk Services to Logic Apps. Equivalent capabilities aren't offered in the Logic Apps preview, so proof points on the Azure App Service platform are not yet available. The future bundling of an iPaaS solution within the Azure App Service may be a concern for those seeking a stand-alone iPaaS offering, although Microsoft has stated it will be available separately.

Migration strategy. Details regarding interface migration support, tooling and portability from BizTalk Server and Azure BizTalk Services to Logic Apps are not yet available. The amount of work required to migrate Azure BizTalk Services interfaces to Azure App Services has not yet been evaluated by customers, some of which have thousands of interfaces.

Sales and support. Clients say that Microsoft's pricing for iPaaS is hard to navigate and Azure cost calculations are complicated; Microsoft received below-average customer satisfaction scores from customers using BizTalk Services on both product and vendor evaluations — in particular, those related to technical quality, functional completeness, and ongoing commercial and business support. Feedback from customers using Logic Apps was not collected for this evaluation.

MuleSoft

Founded in 2006 and based in San Francisco, California, U.S., MuleSoft provides both iPaaS and on-premises integration technology, some of which is open source, to more than 900 enterprise customers. Anypoint Platform, which includes support for service-oriented architecture (SOA), SaaS integration and API management, was extended in 2015 to include Anypoint B2B, for implementing EDI interactions, and Anypoint MQ, for cloud-based, asynchronous messaging.

The Design Center component of Anypoint Platform has a Web-based interface, enabling the user to graphically specify integration flows, compose services and design APIs using RESTful API Modeling Language (RAML). Design Center assets can be deployed directly into their public cloud (on AWS) or into their runtime environment, distributable as a Docker image, to support any cloud environment.

STRENGTHS

Product breadth and vision. With a growing portfolio of capabilities, adapters and endpoints, MuleSoft shows it has the business vision to extend beyond basic iPaaS functionality, for instance with EDI support and a cloud messaging service.

API management. While it is sold as an incremental add-on, MuleSoft has a strong offering for the creation, publishing and management of APIs, which is becoming increasingly important for cloud integration and management.

Go-to-market strategy. Doubling its clients and bookings again in 2015, MuleSoft targets its marketing and sales strategy at enterprise accounts, where hybrid deployments are increasingly important. Cloud deployments now represent 50% of MuleSoft's revenue.

Skills availability. The open-source components, plus new Docker deployment options, fuel developer interest and available skills; more than 50,000 organizations have downloaded and installed MuleSoft's (free or trial) technology.

CAUTIONS

Versatility. MuleSoft discontinued the Starter version of its platform in mid-2015; only the Enterprise version is now available, which has a hybrid deployment focus and higher price point and may not be as cost-effective as other offerings for those seeking a stand-alone, high-productivity iPaaS solution for cloud-only deployment.

Packaging. With the sales and marketing emphasis of Anypoint Platform as an enterprise integration platform — with public cloud, private cloud and on-premises runtime options — it is harder to separate which features are part of the vendor-managed service for cloud deployments versus what a client must manage in-house.

B2B integration. Anypoint B2B is on its second release (making it still relatively new) and needs market validation during 2016. While this product supports transports such as Applicability Statement 2 (AS2) and FTP Secure (FTPS) and formats such as X12 and Electronic Data Interchange For Administration, Commerce and Transport (EDIFACT), and offers trading partner management, it currently lacks batch loading of trading partners and profiles.

Support and services. MuleSoft's revenue and clients grew significantly during 2015, without similar growth of the support and services team. It remains to be seen whether investments in usability and a technical operations team will enable MuleSoft to maintain the level of support needed. Although some clients cited concerns about the lack of geographic/time zone support, MuleSoft received high scores overall for its technical support and documentation.

Oracle

Oracle is one of the world's leading providers of IT solutions, providing hardware, software and services. In cloud services, Oracle is one of a handful of providers that offer the full spectrum of technology — from the underlying infrastructure, through IaaS, PaaS and SaaS. Oracle has leveraged this set of capabilities to provide something it calls the Oracle Integrated Cloud, with many offerings at each level of cloud service.

In April 2015, Oracle released the Oracle Integration Cloud Service (ICS) as the high-productivity iPaaS part of its PaaS suite. In September 2015, Oracle also announced the availability of Oracle SOA Cloud Service, a high-control iPaaS solution to allow clients of its on-premises SOA Suite 12c to migrate workloads to an Oracle managed cloud platform. This report is only rating the Oracle Integration Cloud Service, because the SOA Cloud Service was not generally available in time for evaluation in this Magic Quadrant.

STRENGTHS

Go-to-market strategy. Oracle plans to heavily utilize its existing client base for Oracle Fusion Middleware (estimated to be in excess of 120,000 clients) as well as its large SaaS portfolio, because they have the most to gain from some of the productivity optimizations. This strategy has enabled Oracle to rapidly add clients to the ICS platform, with Gartner estimating that more than 250 clients were added in the first six months of the service.

Global presence. Oracle is one of the world's largest IT companies and has an established global presence in hardware and software, and a services network as well as a large partner network. As a result, accessing ICS expertise should be more straightforward than for some of the competing solutions.

Roadmap. In providing both a high-productivity and high-control iPaaS solution — as well as planned improvements for orchestration, data integration, API management and B2B partner management, and a strong focus on prepackaged integration content for Oracle SaaS applications — the Oracle vision for integration is as comprehensive as that of any of its major competitors.

Vendor relationship and support. In Gartner's recent iPaaS survey, Oracle was rated among the highest for ongoing commercial and business support and overall satisfaction with the vendor relationship.

CAUTIONS

Platform maturity. Oracle ICS was made generally available in April 2015, and, as such, is one of the more recent entries to the iPaaS market. In Gartner's recent iPaaS survey, the ratings that Oracle's ICS clients gave for the overall technical quality and reliability of the platform and for overall functional completeness were lower than those of its major competitors. Taking into account the high level of satisfaction with Oracle at a vendor level, and recent discussions with Oracle clients, these low scores can be seen as initial teething troubles rather than a long-term platform issue.

Go-to-market strategy. Oracle's go-to-market strategy is to focus on its existing ecosystem of SaaS and on-premises applications first, and connecting these to the major non-Oracle enterprise applications. If you are not an existing Oracle client and the application connectors you want are not in the platform today, then, unless the application is owned by Oracle or a substantial non-Oracle market leader, you will have to build your own adapter using the software development kit provided, or wait for one of Oracle's partners to create one.

Deployment options. Oracle's ICS currently runs on the Oracle public cloud in the U.S. and EMEA. Organizations wishing to adopt the iPaaS-only approach to integration, and requiring a local data center, may have to explore other options — such as an on-premises deployment of the execution engine.

SAP

SAP's iPaaS offering is based on SAP Hana Cloud Integration (HCI), the SAP API Management service and other integration capabilities of the broader SAP Hana Cloud Platform (HCP) PaaS offering. These capabilities support application and data integration, event streaming, API management, intermittent connectivity support, IoT integration, batch and real-time replication and data cleansing.

All of the HCP services leverage the SAP Hana in-memory DBMS and are available "a la carte" or in several packaged editions.

STRENGTHS

Growth and market traction. The vast majority of the 2,300 organizations that subscribed to HCP use some of its integration capabilities. Of those organizations, approximately 400 (twice as many as in 2015) subscribed to HCI. This client base is well spread across the Americas, EMEA and Asia/Pacific. Partners also grew notably, thus increasing the amount of available skills.

Rapid functional evolution. In 2015, SAP added many new capabilities to HCI and other HCP services, such as: IoT, remote data sync, API management, smart data streaming, Open Data Protocol (OData), an adapter development toolkit (ADK) for partners, prepackaged integrations, an advisor capability, a wizard-driven integration artifacts life cycle management tool and new transformation options.

Alignment with SAP's overall strategy. HCI is an embedded component of an expanding number of SAP cloud offerings, is increasingly compatible with SAP's on-premises integration platforms, provides a growing number of cloudstreams and is a key enabler for SAP S/4 Hana. This will make HCP integration capabilities the default option for SAP application clients.

Roadmap in line with market trends . The HCP roadmap for integration includes: autoscaling; more B2B formats/protocols and trading partner management; high-performance messaging; additional adapters and cloudstreams; data quality; further security certifications; SAP Cloud Identity support; and other enhancements. The planned Cloud Foundry and OpenStack support will (potentially) enable deployments on-premises and on third-party IaaS offerings.

CAUTIONS

SAP focus. Both currently and in the visible roadmap, HCI focuses primarily on integration between SAP applications (SaaS and on-premises). Limited offering of its own and third-party adapters for popular third-party SaaS offerings and on-premises packaged applications limits SAP's iPaaS appeal to organizations that are primarily SAP-centric.

Functionality and enterprise features. Although SAP is willing to consider support for client-specific requirements, HCI still doesn't provide a generalized disaster recovery model. Clients rated HCI as below average in support for cloud characteristics, platform availability

and reliability, functional completeness and ease of use. This indicates an iPaaS offering still in the early stages of its life cycle, which requires time to further mature and evolve.

Pricing and TCO. Clients rated SAP as below average in pricing. Inadequate pricing models, price points or overall perceived TCO are the top reasons why prospects discard HCI during their iPaaS evaluation processes.

Big data and citizen integrator support. Although HCP will provide interoperability between the Hana in-memory DBMS service and Spark, the roadmap does not address a capability for integration of generic applications and data sources with big data platforms and only partially targets support for citizen integrator requirements.

Scribe Software

Scribe Software, based in Manchester, New Hampshire, U.S. was established in 1995 and is a provider of integration solutions.

The Scribe Online platform is a multitenant iPaaS solution that runs on all of the major IaaS providers as well as inside a client's data center. Scribe Online provides three main offerings: the Integration Service is a general-purpose iPaaS solution; the Replication Service is a data synchronization iPaaS solution to enable you to get data from your application portfolio into an analytics tool; and the Migration Service provides data migration capabilities between your existing applications and their new replacements.

STRENGTHS

Go to market strategy. Scribe Online is strongly focused on providing integration capability for its partner network, which consists of more than 1,200 system integrators and ISVs. This focus has enabled the platform to scale quickly and prove itself operationally.

Growth. During the first eight months of 2015, the Scribe Online subscription base grew by more than 100%, adding more than 500 new clients in the process. As Scribe has a strong focus on providing a platform for ISVs and system integrator partners to offer integration services, the number of end-user organizations indirectly using Scribe Online is growing faster than its direct client base and will soon represent the majority of Scribe Online users.

Platform productivity. In Gartner's recent end-user iPaaS survey, Scribe Online was one of the highest rated iPaaS offerings in relation to platform productivity, particularly with regard to overall ease of use of the platform and the ease of use and productivity of the tools. This is also reflected in the platform's usage, with more than 50% of clients delivering production results in under a month.

CAUTIONS

Pricing. In Gartner's recent iPaaS survey, pricing was something that Scribe Online clients rated Scribe the lowest on — recording the lowest score among all of the vendors rated. Non-Scribe clients cited pricing as the main reason why they did not select the product.

Scribe has addressed this by introducing a new, more flexible pricing model in January 2016.

Global presence. Scribe Online's user base is primarily in North America and Europe; the rest of the world is largely missing from its client base.

Go-to-market strategy. While the go-to-market strategy has worked well for Scribe and its partner network of ISVs and system integrators, it has resulted in a lack of visibility in competitive evaluations in the iPaaS market and rarely comes up during inquiry discussions with Gartner clients.

Product vision. While Scribe Online is good for typical cloud services integration scenarios, the lack of native API management capabilities and B2B management capabilities limits the broader adoption of this platform.

SnapLogic

SnapLogic is a U.S.-based integration platform company. In mid-2013, it transitioned from a traditional software business to an iPaaS model with the release of the SnapLogic Elastic Integration Platform.

This provides a large set of native iPaaS capabilities that target the cloud service integration, analytics and big data integration use cases. The flagship Enterprise Edition features a set of base adapters (Snaps), an unlimited number of connections and unlimited data volume. "Pilot" editions are also available. Functional add-ons and additional Snaps are provided separately.

STRENGTHS

Growth and market traction. In 2015, SnapLogic more than tripled its customer base (which now exceeds 450 organizations), established partnerships with several ISVs/SaaS providers and global system integrators. These achievements strengthen the company's position and set a springboard for its future growth.

Functionality and technology focus. The SnapLogic iPaaS offering is functionally rich and well-proven for a variety of use cases. It supports hybrid deployments and provides rich and differentiating features for analytics and big data integration (Hadooplex). Clients score SnapLogic as above average for cloud characteristics, functional completeness, ease of use and ability to meet SLAs.

Sales and marketing strategy. SnapLogic has ambitious marketing programs to increase market awareness and expand in the U.K. and Australia. Its sales strategy is focused on the expansion of its sales team, professional services organization and partner network (including OEMs and ISVs). The recent infusion of $37.5 million in new investment gives credibility to these plans.

Focused technology roadmap. The SnapLogic roadmap is strongly focused on data lake integration requirements by adding support for popular big data technologies. In 1H16, the company will fully release the Spark Data Pipelines technology, which layers the platform on top of the Spark in-memory computing platform.

CAUTIONS

Geographical presence. The bulk of SnapLogic's sales, professional services and support organizations are located in the U.S. Until the company's plans to expand in EMEA and Asia/Pacific come to fruition, it may be difficult for organizations located in those regions to do business with, and get support from, SnapLogic.

Professional services and skills. SnapLogic's professional services organization is quite small and system integrator partners can only deploy relatively few SnapLogic engineers, as yet. Until plans for strengthening its own and its partners' capacity are fully implemented, user organizations may experience difficulties in finding SnapLogic skills. In 2015, the company's professional services organization was under stress (due to fast growth), which is likely to be why clients rated the company slightly below average in this area.

Versatility. Modest API management capabilities and a lack of B2B integration support, together with a relatively narrow portfolio of Snaps for on-premises business applications, limit SnapLogic's appeal for organizations looking for an iPaaS offering to enable on-premises and B2B-centric use cases. Its focus on large organizations makes it a marginal player in the fast-growing SMB market.

Awareness and perception of tactical role. SnapLogic is still less visible in the market than some of its competitors — especially in EMEA and Asia/Pacific. This is one of the reasons why prospects mentioned not seeing the company as a possible strategic partner as the main reason for discarding SnapLogic during their iPaaS evaluation processes.

TerraSky

TerraSky is a Japan-based leading application development specialist vendor that has high-end expertise (multiple Most Valued Partner awards) on Force.com (Salesforce's application platform as a service offering) and provides SkyVisualEditor, an advanced ease-of-use UI development tool to enable sophisticated UI applications on Force.com. TerraSky has established its presence and engaged with more than 2,000 development projects across various industry segments, generating its main revenue stream.

SkyOnDemand is a high-productivity graphical data-integration-centric iPaaS offering by TerraSky. This solution has been available since 2008, and is a strategic component in expanding the company's ecosystem among end users and IT divisions — as citizen integrators, ISVs and system integrators — putting Force.com as a focus for SkyOnDemand and other applications. SkyOnDemand has its focus on integrating Salesforce with selected major cloud vendors such as Amazon, Microsoft and Google, and several popular SaaS offerings such as Concur.

STRENGTHS

Growth. SkyOnDemand has been maintaining a loyal customer base for more than five years, significantly growing it (about 40%) during the past 12 months to reach 250 customers (mostly in Japan).

Developer productivity. SkyOnDemand has established its reputation for ease of use for citizen integrators (along with high customer satisfaction) and citizen/professional developers in Salesforce-centric integration, and has proven its security capability through an increasing number of financial industry customers.

Connectivity . SkyOnDemand has enabled integration for Salesforce users operating data stored on AWS (that is, Amazon RedShift, DynamoDB and Kinesis) or IoT data collected in AWS (via a Salesforce UI). SkyOnDemand also adds features to take advantage of the new capabilities within Salesforce as it expands its SaaS/PaaS offerings (for example, the Wave platform and analytics).

Deployment . SkyOnDemand supports hybrid deployment of its integration platform and its integration content, both in the cloud and on-premises, and will enhance and expand the ease, scope and depth of its hybrid integration capability by introducing the Thunderbus server, in cloud and on-premises agent; integration with machine learning (such as Microsoft Azure Machine Learning and TensorFlow); integration with big data (for example, Hadoop and Microsoft Azure HDInsight); and integration with block-chain-based offerings.

CAUTIONS

"Cloudiness." SkyOnDemand currently lacks some important technology capabilities, such as PaaS-level multitenancy (currently only single tenancy) and Docker support. It also has limited capabilities for API management and a small number of adapters for SaaS offerings (although TerraSky is under discussion with OEM provider Appresso).

Innovation . TerraSky is slow to innovate; enhancements offer only small adjustments rather than internal architectural changes, because since SkyOnDemand is based on OEMed software code.

Geographic strategy . TerraSky's installed base, partners and influence outside of Japan are very limited and it does not, as yet, have a clear and effective global go-to-market vision.

Professional services . TerraSky has limited resources for professional services.

Youredi

Youredi is a privately funded iPaaS provider that was incorporated in Helsinki, Finland in 2010.

The Youredi platform is a multitenant iPaaS offering built on Microsoft's Azure. With instances of the platform running in the U.S., Europe and Asia, Youredi has a global reach. The platform focuses primarily on cloud services integration, B2B and on-premises application-to-application integration, and allows tenants to expose services (via APIs) to other tenants on the platform.

STRENGTHS

Vertical strategy. Youredi has focused heavily on logistics, supply chain and financial transaction integration, which accounts for the majority of its revenue. With the recent addition of an analytics capability for business activity monitoring to complement its iPaaS offering, Youredi now has a platform that is leveraged by global logistics and supply chain organizations.

Global presence. Youredi has expanded its global footprint in 2015, and now has offices in Helsinki (Finland), Singapore, Melbourne (Australia), and near Boston in the U.S.

Growth. During 2015, Youredi managed to grow its client base by more than 100% and had almost 200 clients at the time of publication. This is especially notable, given the small size of the company and the global nature of the client base.

Customer experience. In Gartner's recent end-user iPaaS survey, Youredi was one of the highest-rated vendors in relation to customer experience — particularly with regard to the vendor's ongoing commercial and business support and the overall quality and reliability of its sales team.

CAUTIONS

Roadmap. While Youredi does have a defined roadmap for the platform, immediate client needs take priority and, as a result, the progression of new features in the platform may not be as predictable as with competing vendors. The result is a platform that is fit for purpose for its current and planned client base, but does not necessarily serve as a generic platform aimed at end-user subscribers.

Go-to-market strategy. In 2015, Youredi decided to move away from becoming an end-user iPaaS provider and has instead focused on delivering a specialist integration platform for partners in the verticals it is targeting. This change of focus will greatly reduce its appeal for end-user organizations and will limit the platform's potential market.

Product functionality. In Gartner's recent end-user iPaaS survey, some areas of concern were raised around the overall functional completeness of the Youredi platform and the technical documentation. This is not too surprising given Youredi's decision to focus on providing a platform for specialist integrators, who will have higher technical demands of the platform than the typical iPaaS user.

Versatility. The lack of an on-premises runtime deployment option will limit Youredi's appeal for organizations with significant on-premises integration requirements.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily

indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

The following providers have been added to the Magic Quadrant for Enterprise Integration Platform as a Service, Worldwide, because during the past 12 months they have evolved their offerings and commercial operations and collected the minimum number of paid clients needed to meet the inclusion criteria:

- Actian
- DBSync
- Oracle
- Scribe Software

Dropped

The following providers were included in the 2015 version of the Magic Quadrant for Enterprise Integration Platform as a Service, but have been excluded from the 2016 version because they did not meet one or more of the inclusion criteria:

- **Cloud Elements** , a Niche player in 2015, did not meet the criterion of the minimum number of production clients.
- **Flowgear** , a Niche player in 2015, did not meet the criterion of the minimum number of production clients.
- **Fujitsu** , a Challenger in 2015, did not meet the criterion that the iPaaS offering was available as a "stand alone" service.

Inclusion and Exclusion Criteria

To qualify for inclusion, vendors need to deliver a service with the following characteristics:

- It has to be a cloud service:
  - Available by subscription and accessible over Internet technologies
  - Available uniformly to all qualified subscribers
  - Including some sharing of physical resources between logically isolated tenants (subscribers or applications)
  - Including some self-service provisioning and management by subscribers
  - Including bidirectional scaling without interruption of activities and with some automation
  - Including some instrumentation for resource use tracking

It has to be a PaaS solution:

It encapsulates the underlying virtual or physical machines, their procurement, management and direct costs, and does not require tenants to be aware of them (optional access is fine).

It delegates to the providers the patching, versioning and health of the platform stack.

It has to provide a minimal set of iPaaS capabilities:

Support for multiple connectivity protocols and data/message delivery styles (that is, some combination of API-based, messaging and batch); data and message validation, mapping and transformation; routing; orchestration and adapters for cloud-based and on-premises packaged applications, data sources and technology environments.

Tools to develop, test, deploy, execute, administer, monitor and manage integration flows and manage the life cycle of the relevant artifacts (transformation maps, routing rules, orchestration flows, adapter configurations, etc.) via a Web-based and/or mobile graphical user interface and/or a command line interface and/or APIs.

It has to be enterprise-grade and aimed at enterprise-class projects by:

Providing some support for high availability and disaster recovery.

Including some provision for securing access to endpoints and to the platform's functionality.

Providing some technical support to paying subscribers.

It has to be provided as a "stand alone" service. To use the platform, clients can subscribe only to the iPaaS capability and not to some other cloud service; for example, a SaaS application or another form of PaaS (such as application platform as a service or BPM PaaS) in which the iPaaS capabilities are an "embedded" subset.

It has to be generally available as of 1 September 2015, with at least 150 paid customers by the same date.

Evaluation Criteria

Ability to Execute

Ability to Execute criteria aim at rating providers' ability to deliver an iPaaS solution that meets the expected set of functions, ensuring that customers' integration projects succeed while growing providers' revenue and market share. In this fast-growing and rapidly evolving market, where aggressive new entrants try to win new clients as fast as possible, the most important factors to succeed are:

The platform's ability to suit prospects' functional requirements (Product or Service criterion).

The provider's proven track record of enabling integration projects to succeed through responsive support, adequate pricing and the ability to establish positive commercial relationships (Customer Experience criterion).

Other important elements for success in the enterprise iPaaS market are:

A provider's installed base and ability to build up a credible and long-term business (Overall Viability criterion).

A provider's ability to deliver on the sales strategy with competitive pricing models (Sales Execution/Pricing criterion).

A proven track record in keeping pace with evolving market requirements (Market Responsiveness/Record criterion).

A providers' effectiveness in generating brand awareness and stimulating prospect interest through sound marketing campaigns (Marketing Execution criterion).

A strong global sales and marketing structure and support/professional services, a vast partner network, and multiple, geographically distributed data centers (Operations criterion).

In the evaluation process, we paid particular attention to the technical capabilities of the providers' iPaaS offerings (Product or Service criterion). We therefore examined each provider's available services and its record in the market for:

Degree of "cloudiness" — How extensively cloud characteristics are implemented. These include tenant isolation; resource sharing; elasticity; scaling; self-service; and instrumentation for tracking, scaling and billing. (Weighting: Medium)

Enterprise worthiness — The depth and breadth of support for enterprise requirements, including high availability, disaster recovery, technical support and secure access. (Weighting: High)

Functional completeness (breadth of offering) — How effectively the provider implements the iPaaS functionality: core integration capabilities (multiprotocol support and bridging; multiple data/message delivery styles; and data/message validation, transformation and routing), adapters, data quality, development tools, administration, monitoring and management environment, support for secure communication, governance/API management, and community collaboration/crowdsourcing facilities. (Weighting: High)

Openness — How open, in terms of extensibility and skills portability, the offering is via support for open standards and open-source technologies; how it enables access to the iPaaS functionality via open APIs (DevOps capabilities); how it supports on-premises deployment of the platform and compatibility with on-premises integration platforms. (Weighting: Medium)

Integration developer's productivity and ease of operation — Provision for the integration developer's productivity (model-driven design, integration flow metadata discovery and repository, reusable integration templates, cloudstreams, and comprehensive, easy-to understand documentation and examples) and for integration flow monitoring and management. (Weighting: High)

Citizen integrator support — How well the provider enables do-it-yourself integration by business users by providing self-service capabilities such as: a library of self-service cloudstreams, "no coding" cloudstream customization and development tools, and tools enabling integration experts to develop citizen-integrator-oriented cloudstreams. (Weighting: Medium)

Versatility — In addition to cloud service integration (CSI), support for use cases such as integration across on-premises applications/data sources, B2B integration, process integration, service composition, integration of mobile apps and IoT integration. (Weighting: Medium)

The weightings applied to the Product or Service subcriteria reflect the current buying patterns, which favor ease of use and enterprise characteristics (such as security, high availability, disaster recovery and technical support) over other technical considerations such as openness, degree of cloudiness and versatility.

Most organizations haven't focused on citizen integrators as a high-priority issue to address, so support for this constituency is not a top priority in most selection processes.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	**Weighting**
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Medium
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (March 2016)

Completeness of Vision

Completeness of Vision criteria aim to assess providers' ability to meet emerging requirements and drive enterprise iPaaS adoption (in new territories and toward a more strategic positioning), while also growing a profitable and self-sustaining business.

During the next 12 months, success in this market will, therefore, primarily depend on:

- Articulating differentiating value propositions and positioning in the market (Marketing Strategy criterion)
- Devising an effective and efficient sales strategy (Sales Strategy criterion)
- A roadmap capable of addressing new functional and nonfunctional requirements (Offering [Product] Strategy criterion)
- Formulating a geographic expansion strategy (Geographic Strategy criterion)

Other important factors will include:

- The provider's ability to understand the evolution of the iPaaS market; for example, emerging use cases such as API management, mobile application integration (MAI), big data and IoT integration, and the user organization's growing focus on citizen integrators and adaptive/bimodal approaches to integration projects (Market Understanding criterion).
- Defining value propositions for selected and well-defined industry sectors or business processes (Vertical/Industry Strategy criterion).
- Introducing technical and business innovation (Innovation criterion).

Addressing these challenges is important for enterprise iPaaS providers to get ahead of the competition, expand their installed base, and grow market share and revenue.

Differentiation in terms of business model is not particularly critical at this stage. As long as the business model supports fast growth and even modest profitability, it will be sufficient for enterprise iPaaS providers to survive and possibly thrive (Business Model criterion).

We paid particular attention to the providers' strategies for the technical capabilities of their iPaaS offerings (Offering [Product] Strategy criterion). The relevant subcriteria are the same ones used to rate the Product or Service criterion in the Ability to Execute dimension, because we don't expect technical requirements to change significantly during the next 12 months. The weightings applied to these subcriteria are, however, different — reflecting Gartner's expectations regarding the evolution of client needs during that time frame.

As the iPaaS scope expands to cover multiple and varied use cases, and as the iPaaS role becomes increasingly strategic, user organizations will primarily focus on versatility, functional completeness and the developer's productivity and ease of operation — by

assuming that cloud characteristics, support for enterprise requirements and openness are important, but not decisively differentiating factors. Citizen integrators have become a more visible phenomenon during the past 12 months, but not to the point of making strong support for this constituency a critical factor in the iPaaS selection process. That said, iPaaS providers need to treat citizen integrators as important in readiness for the inevitable need for this capability in future.

To rate a provider's Offering (Product) Strategy, we examined its available roadmap and credibly committed initiatives for:

Degree of cloudiness — How extensively cloud characteristics will be improved. These include tenant isolation; resource sharing; elasticity; scaling; self-service; and instrumentation for tracking, scaling and billing. (Weighting: Medium)

Enterprise worthiness — How the provider will improve the depth and breadth of support for enterprise requirements, including high availability, disaster recovery, technical support and secure access. (Weighting: Medium)

Functional completeness (breadth of offering) — How the offering's evolution expands the iPaaS functionality: core integration capabilities (multiprotocol support and bridging; multiple data/message delivery styles; and data/message validation, transformation and routing), adapters, data quality, development tools, administration, monitoring and management environment, support for secure communication, governance/API management, and community collaboration/crowdsourcing facilities. (Weighting: High)

Openness — How strongly the roadmap will enhance platform openness in terms of extensibility and skills portability, via support of open standards and open-source technologies, how it will extend access to the iPaaS functionality via open APIs (DevOps support), and how it will improve support for on-premises deployment of the platform and compatibility with on-premises integration platforms. (Weighting: Medium)

Integration developer's productivity and ease of penetration — How the provider is planning to enhance the platform's provision for the integration developer's productivity (model-driven design, integration flow metadata discovery and repository, reusable integration templates, and cloudstreams) and for integration flow monitoring and management. (Weighting: High)

Citizen integrator support — How extensively the offering roadmap targets do-it-yourself integration by business users by providing self-service capabilities such as a library of self-service cloudstreams, no-coding cloudstream customization and development tools, and tools enabling integration experts to develop citizen-integrator-oriented cloudstreams. (Weighting: High)

Versatility — In addition to CSI, the planned functional extensions to support other use cases, such as integration between on-premises applications/data sources, B2B integration, process integration, composite applications, integration of mobile apps and IoT integration.

(Weighting: High)

Table 2. Completeness of Vision Evaluation Criteria

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

Source: Gartner (March 2016)

Quadrant Descriptions

Leaders

Leaders in this market have hundreds if not thousands of paid clients for their iPaaS offering, and often many thousands of indirect users via embedded versions of the platform as well as "freemium" options. They have a solid reputation, with notable market presence and a proven track record in delivering multiple integration use cases — often supported by the large global networks of their partners. The platforms are well-proven and functionally rich, with regular releases to rapidly address this fast-evolving market.

A Leader's vision is typically focused on incrementally improving existing capabilities and addressing emerging requirements, while aggressively expanding market share via new channels and through industry or geographic expansion strategies. They have the financial resources to pursue their technology and market vision. Leaders understand what is required to drive the enterprise iPaaS market in terms of technology, adoption patterns, use cases and industry impact. Most of them have already demonstrated these abilities by playing a crucial

role (along with other pioneers) in shaping the market into its present form and showing an understanding of emerging requirements such as API management, citizen integrator, IoT and analytics.

Given the rapidly changing nature of this market and heavy investment from traditional integration vendors, it is highly likely that other players will enter the Leaders quadrant during the next 12 months. All the current Leaders have the potential to maintain their positions, but this is not guaranteed.

Leaders are not necessarily always the best option. In many cases, other providers may prove more suitable to a given user organization's needs for a variety of reasons, including: geographic coverage, technical compatibility with the established technology environment, specialized focus on the required integration scenario, affinity with the current and/or evolving application portfolio, levels of support and responsiveness, and already established commercial arrangements.

Challengers

Challengers in enterprise iPaaS have been in the market for several years and have notable installed bases of thousands of clients, with a mature offering that is proven for multiple integration scenarios. Challengers also have the financial strength and commitment to compete aggressively in the iPaaS market; consequently, they often offer a competitive platform, at least for certain verticals and use cases.

However, Challengers have a somewhat limited perspective on how the enterprise iPaaS market will evolve, who the buyers are (and will be), what the use cases are, and how user expectations will evolve. This typically results in their offerings being more narrowly focused than those of the Leaders, and being on a relatively conservative technical roadmap. Their sales and marketing strategies are somewhat constrained by their limited focus on the enterprise iPaaS market.

Only one provider is rated as a Challenger in this Magic Quadrant. Many iPaaS providers just recently entered the iPaaS arena, so well-established players with mature offerings and notable market presence are relatively few. In such a context, Challengers have the potential to make the transition into leadership positions by articulating a more aggressive and ambitious roadmap and by putting extra sales and marketing focus on the enterprise iPaaS space. However, they will have to carefully monitor the competition, because some of the best-executing Niche Players may turn into Challengers during the next 12 months.

Visionaries

Visionaries understand the specific requirements of this market and are innovating through a combination of technology, delivery models and go-to-market strategies. In some cases, Visionaries see their iPaaS offering as a key element of a broader cloud strategy (whether SaaS-centric or PaaS-centric), or as part of a bigger HIP play — with iPaaS being one of many channels for the underlying integration capabilities.

Visionaries' Ability to Execute is lower than that of Leaders, because of a smaller installed base and a certain immaturity in their offerings (often due to a recent entry into the market); timid marketing and unaggressive and reactive sales operations; or a lack of strategic commitment to the market. In a couple of cases, the provider is in the midst of a transition between the first generation of its iPaaS offering and a new, more advanced strategy. Although this evolution shows a progressive approach to this market, it inevitably exposes the provider and its clients to technical and commercial discontinuities and migration issues, thus limiting its Ability to Execute.

Most of the providers in the Visionaries quadrant have a background in traditional on-premises integration middleware; as such, they have a good understanding of enterprise integration challenges, although they may not have the sales and marketing expertise required to sell outside of their traditional IT client base. They have entered the market through acquisition, by significantly re-engineering their on-premises products for the cloud or, in some cases, by developing a new iPaaS technology.

Some of the Visionaries are well-positioned to make the transition into the Leaders quadrant during the next 12 months if they manage to execute on their vision and gear up their sales and marketing machines.

Niche Players

Niche Players are small companies, in many cases startups that mostly entered the market during the past few years. Often, they have a relatively narrow focus in terms of the use cases they support, the geographies they serve or the sales strategy they are implementing.

However, their technology is often excellent and their customers show a high degree of satisfaction. Niche Players' offerings can therefore often be the appropriate option for user organizations that, for example, are sensitive to local presence and support, want a close relationship with a provider, or seek a platform that focuses on specific requirements. Provision of these requirements can often offset risks in other dimensions.

Providers in this quadrant are the ones facing the greatest challenges. With many new entrants into the Niche Players quadrant, and many more small entrants entering the iPaaS market targeting this space, it is the Niche Players that face the greatest competition. Niche Players are also more likely to be the target of acquisition, because they are often specialized iPaaS players focusing on a relatively narrow function or market that could easily complement an existing broader integration platform.

Context

For many, the reality of cloud is here. Application portfolios are hybrid, with many organizations having to integrate between these diverse endpoints. While some organizations with existing integration skills are finding that their established on-premises integration practices can be used to integrate with SaaS applications, many more are finding that their

existing approaches are just not delivering fast enough to meet these new challenges. For organizations that never established systematic integration practices on-premises, the thought of having to start now is daunting. The large costs, long delivery times and complex infrastructure builds associated with traditional on-premises approaches are just not in line with today's lean approaches and timelines.

These drivers, plus the rapidly maturing capabilities in the iPaaS, are resulting in increasing interest in this particular market. The vendors are also reacting fast (with many having several releases a year), rapidly enabling new innovative features at a rate that is hard to capture in a report such as this. Most vendors (if not all) have moved beyond the initial use case of data and process synchronization between packaged applications and data sources, and are now focusing on unlocking extra value via API creation and publication, MAI, the IoT and big data analytics. Many are also looking to better enable ecosystems via partner management and self-service onboarding capabilities.

During the next 12 months, application managers, directors of integration and other IT leaders who need to tackle a variety of integration requirements should look at the providers in this Magic Quadrant when it comes to:

- Supporting line of business/departmental adaptive CSI, B2B, APIs, MAI and, increasingly, IoT projects
- Looking for rapid and low-cost resolution of simple integration requirements
- Reducing capital investments in, and ongoing operation costs for, integration technology
- Complementing established on-premises integration middleware with platforms targeting CSI, MAI, IoT and API requirements — to create an HIP, in the context of a bimodal integration strategy, to support both traditional systematic and adaptive integration requirements

When evaluating enterprise iPaaS providers, IT leaders will have to realize that the competitive landscape is varied and differentiated:

- Some offerings are mature and tested in hundreds, if not thousands, of real-life projects, whereas many providers have a minimal installed base and fledgling field experience.
- Certain offerings cover a wide spectrum of use cases, supported by a rich portfolio of integration content (such as adapters, templates and cloudstreams). Conversely, some players are narrowly focused on supporting a few well-defined requirements.
- Some providers have global ambitions, while others target only well-identified geographies.
- Most providers focus on iPaaS, but a certain number of players come to market with either a broader PaaS proposition, a broader hybrid integration proposition, or offer iPaaS as a companion to other cloud offerings (such as IaaS or SaaS).

- Some offerings are neutral with respect to the SaaS landscape, whereas certain platforms are biased toward a specific, narrow set of SaaS offerings.
- Some offerings are cloud-native and available only as cloud services; others are enterprise-native and export established enterprise software to the cloud.
- Some providers focus on systematic integration projects, most target adaptive integration, and many are also moving toward citizen integrator support.

A common trait of the larger providers is a horizontal approach when it comes to industry sectors. Most providers' value propositions and go-to-market strategies are built around cross-industry SaaS and packaged application providers' ecosystems. Rarely, are iPaaS offerings focused on serving the requirements of a specific vertical; however, some providers have been evolving their strategy in this respect and are in the process of delivering value propositions for a few selected industry sectors such as healthcare.

Some of the smaller vendors are choosing to differentiate themselves from the established general-purpose iPaaS vendors by focusing on verticals such as logistics and supply chain, or by focusing on specific integration scenarios such as data synchronization as a way to establish and grow a client base.

When selecting the right iPaaS vendor IT leaders should also consider factors such as:

- Short-term tactical versus long-term strategic use of the platform
- Type and number of endpoints being connected: SaaS, packaged applications, internally developed applications, file systems, databases
- Provider's familiarity with, and track record in delivering to, the organization's vertical industry
- The integration skills of the expected users of the platform
- Ability of the iPaaS offering to support emerging integration requirements (for example, the IoT) that the client organization deems relevant for its business strategy
- Ability to federate the iPaaS with the established on-premises integration platform, whether in support of specific requirements or in the context of HIP initiatives
- SLAs and quality of service requirements
- Security and regulatory compliance needs
- Geographic location of the iPaaS data centers and support centers
- Ability to deploy the iPaaS platform in a hybrid mode, both across the iPaaS public cloud and within the client data center
- Availability and cost of iPaaS skills from the provider and external service providers
- Cost expectations and available budget

Given the degree of differences between the various offerings in this rapidly evolving market, IT leaders should start the selection process after having developed a thorough understanding of their requirements and priorities. A pragmatic and tactical approach should be adopted: due to the dynamic nature of the current market and the expected future consolidation, which may lead to disruption in iPaaS technologies during the next two to three years.

Market Overview

Gartner estimates that the enterprise iPaaS market expanded notably during 2015, exceeding $400 million and growing more than 50% in terms of providers' subscription revenue when compared to 2014. However, some providers far exceeded this and in the case of some smaller vendors, registering triple-digit growth was not uncommon. Gartner estimates that the majority of enterprise iPaaS providers generate less than $10 million from their offerings; while some collect higher amounts, only a few exceeded $50 million (see "Market Share: All Software Markets, Worldwide, 2015").

While these figures may be small in comparison with the revenue generated by on-premises integration suites, what makes enterprise iPaaS attractive for technology providers is expectation about its growth — Gartner expects that enterprise iPaaS will continue to grow at a double-digit rate during the next five years (see "Market Trends: Platform as a Service, Worldwide, 2013-2018, 2Q14 Update") — and its long-term strategic relevance, rather than the current size of the market.

As more organizations adopt cloud and SaaS applications, the more appealing vendor-managed solutions become. It is expected that the service-based approach for IT will become the preferred option (over the software-based approach) over time, as end-user organizations look to downsize the operations side of their IT portfolio. This challenges the traditional integration vendors, who see little growth in their established integration portfolios that are nowadays often seen as expensive and complex in comparison to modern iPaaS offerings.

All of the large traditional integration vendors have now entered the enterprise iPaaS market, for a number of reasons:

- To provide flexible development and test environments to allow greater agility for existing integration clients of their on-premises integration software
- To provide a "lift and shift" option for existing integration clients to outsource the operations of the integration platform to the vendor
- To counter the penetration of enterprise iPaaS pure-play providers in large organizations, especially at the line-of-business/departmental level
- To address the SMB market, which has previously found these vendors' solutions too expensive or too complex to deploy

To reimagine their integration offerings; leveraging their historic knowledge and investment in the space and combining that with modern open-source capabilities to build "next generation" integration platforms in way that could not be achieved with the traditional software delivery model used in many of their existing products

Other powerful drivers for enterprise iPaaS adoption will be mobile app integration and API publishing and management, which will create a growing overlap and convergence with API management and mobile back end as a service (MBaaS) offerings. We expect that iPaaS adoption will also be driven by IoT requirements (although at a later stage), which will determine some degree of functional overlap and create a demand for integration with emerging IoT platforms.

Increasingly, we see a number of the larger iPaaS vendors (whether by market share or size of parent company) adding more channels to the underlying iPaaS platform; for example, as an embedded capability inside SaaS offerings, white labeling for large system integrators, or as features embedded as integration services within larger PaaS suites or HIPs (for further insight into HIPs see "How to Implement a Hybrid Integration Platform to Tackle Pervasive Integration"). These trends could reshape the enterprise iPaaS market and redefine the characteristics and attributes required to compete in this segment.

Adoption may be hampered by the lack of standards and skills, incomplete offerings, and the nuisance of federating enterprise iPaaS with classic on-premises integration platforms in the context of HIP strategies, along with the usual concerns about security and privacy. Finally, the questionable viability of some providers is a problem, because several players are extremely small and therefore vulnerable to short-term market shocks and to the initial low profitability of the subscription business model.

This Magic Quadrant identifies 17 providers that met our inclusion criteria. However, many other iPaaS providers are active in the market, with new ones appearing on a regular basis. This level of vendor interest demonstrates the importance of iPaaS to end users, and to vendors as the next generation of integration capability becomes more visible and important. As a result, the already-crowded vendor landscape will become even more confusing and fragmented during the coming 12 to 18 months. Leadership positions will change, some players will be acquired or simply disappear from the market, and new, powerful providers will emerge. We recommend that end users who are not yet piloting iPaaS projects begin to do so.

Appendix

Additional iPaaS Providers

The following is a nonexhaustive list of additional iPaaS providers that did not meet the inclusion criteria, but that Gartner is proactively tracking:

Adeptia — Provides Adeptia Connect, a citizen integrator-oriented iPaaS focused on supporting B2B requirements.

Akana — Provides iPaaS capabilities as embedded features of its API management offering.

AppPoint— Provides its CollaBridge iPaaS offering as part of its application infrastructure services.

ARiiP — A Portuguese company with an iPaaS offering in beta testing.

Apsara Consulting — Skyvva Integration Cloud is an iPaaS offering focused on the Salesforce ecosystem.

Axway — Provides iPaaS capabilities as embedded features in its API management offering.

Azuqua — A U.S.-based iPaaS provider targeting SaaS integration.

Built.io — This U.S.-based company provides an iPaaS offering called Flow alongside its MBaaS and content management system products.

Cloudreach — A U.K.-based system integrator providing an iPaaS targeting ISVs and the value-added reseller market.

elastic.io — An iPaaS provider based in Bonn, Germany.

HiQ— A Finnish company that provides the Frends4 iPaaS offering, which is also available in an on-premises software format.

i2factory — Provides Guarana Cloud, an iPaaS offering targeting SMB organizations in Spain.

Infor — In the process of releasing Infor Intelligent Open Network (ION) Cloud Edition (an iPaaS rendition of its popular Infor ION integration platform).

Integround — Provides an iPaaS offering built on Microsoft Azure that focuses on CSI scenarios, with clients mainly in the Nordic countries.

Maestrano — Provides an iPaaS that combines application and data integration capabilities based around a centralized data hub architecture.

Moskitos — Provides Crosscut, a Microsoft Azure-centric iPaaS targeting medium and large organizations in France.

N2N Services — A U.S.-based vendor providing the Illuminate platform, which targets the integration needs of higher education organizations.

Primeur — An Italian software vendor that provides the Ghibli Business Integrator HIP, which includes iPaaS functionality and delivery model.

Red Hat — Has plans to provide an iPaaS rendition of its JBoss Fuse on-premises integration platform.

Service-Flow — Provides an iPaaS offering targeting the integration of various IT service desk implementations.

Software AG — Provides webMethods Integration Cloud, an adaptive integration-oriented rendition of its veteran webMethods Integration Platform.

T-Systems — A German system integrator and cloud provider that provides Data-Orchestration-as-a-Service (DOaaS), an iPaaS offering based on the Informatica Cloud technology.

Talend — Provides the Talend Integration Cloud, a data-integration-centric iPaaS offering.

TechConnect IT Solutions — An iPaaS vendor from Australia that provides an iPaaS offering called Universal Platform.

TIBCO Software — Provides TIBCO Cloud Bus and more recently announced a new iPaaS offering called TIBCO Cloud Integration.

Xplenty — Provides its Data Integration cloud service; it is based in Israel.

Acronym Key and Glossary Terms

AWS	Amazon Web Services
B2B	business-to-business
CSI	cloud service integration
HIP	hybrid integration platform
IoT	Internet of Things
iPaaS	integration platform as a service
ISV	independent software vendor
MAI	mobile application integration
MBaaS	mobile back end as a service
SMB	small or midsize business
SOA	service-oriented architecture

Note 1
iPaaS Magic Quadrant Survey Data — Methodology

The Magic Quadrant reference check is part of the data-gathering effort that helps Gartner build on its existing knowledge of vendors in a particular market. For the 2016 iPaaS Magic Quadrant process, all invited vendors were asked to submit a minimum of 10 references that

generally represented the inclusion criteria (such as support for multiple connectivity protocols). The vendor provided reference contact information, which was used to invite the reference to complete a 30-minute online survey.

A total of 251 references from 27 vendors completed the survey. Although this is a substantive pool of responses for directional inference, vendor reference data is different from primary research and is not a representative knowledge base of the iPaaS market. The 251 references do not represent customers in the overall iPaaS market, but just the select customers the 27 vendors chose to share with Gartner and that ultimately elected to participate as a reference check.

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.
