IDC MarketScape: Worldwide Enterprise Planning, Budgeting, and Forecasting Applications for Midmarket Organizations 2024 Vendor Assessment

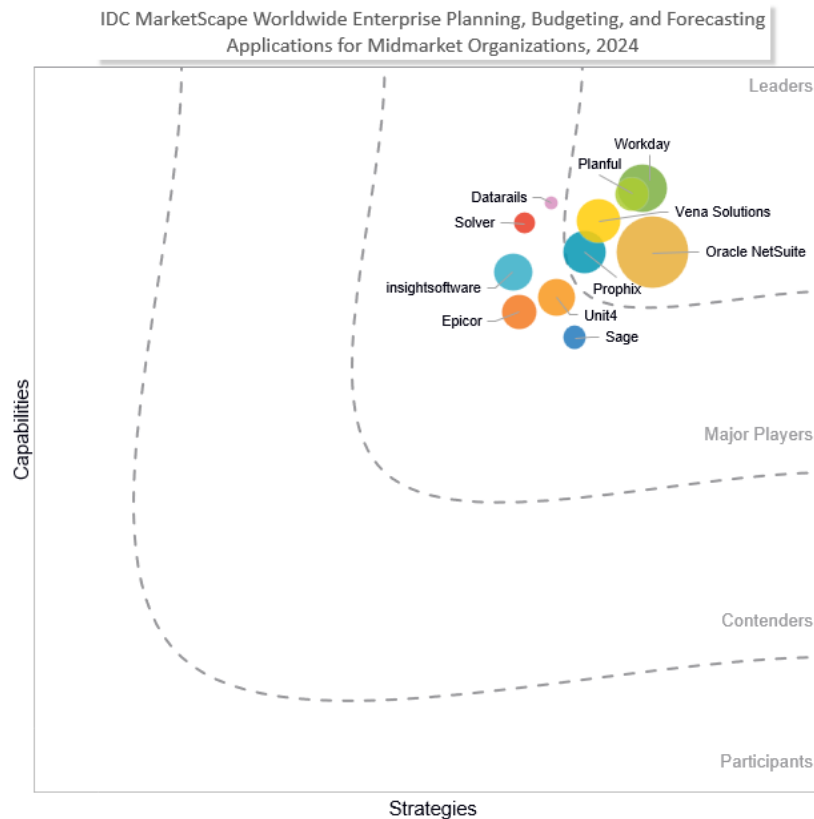Dan Vesset   Megha Kumar

THIS IDC MARKETSCAPE EXCERPT FEATURES WORKDAY

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Enterprise Planning, Budgeting, and Forecasting Applications for Midmarket Organizations Vendor Assessment

Source: IDC, 2024

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Enterprise Planning, Budgeting, and Forecasting Applications for Midmarket Organizations 2024 Vendor Assessment (Doc # US52022623). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study assesses vendors in the worldwide enterprise planning, budgeting, and forecasting applications that focus on midmarket organizations. This research, which was conducted during the second half of 2023 and the first quarter of 2024, is based on the IDC MarketScape methodology. The assessment provides both quantitative and qualitative characteristics of applications in this market. The evaluation is based on a comprehensive and rigorous framework that assesses each vendor relative to the criteria and to one another. Key findings include:

- This market includes vendors that started out with either on-premises solutions and then migrated to the cloud or native cloud solutions. In the case of the former, vendors are continuing the buildout of functional parity between previously available on-premises software and cloud-deployed/off-premises software.

- The latest functionality being added to enterprise planning, budgeting, and forecasting applications is AI-/ML- and generative AI (GenAI)–based functionality for both natural language–based human-machine interaction and greater automation of the data analysis process.

- Applications in this market continue to be enriched with improvements in collaboration and collective intelligence capabilities including annotations, information sharing, approval workflow, and other capabilities of modern knowledge management.

- Greater market uncertainty and volatility have increased demand for software vendors to include more robust what-if or scenario planning and analysis capabilities.

- As enterprise planning, budgeting, and forecasting applications expand to support planning processes outside of the finance department, integrated or cross-functional planning across multiple business functions is being adopted more widely. This capability allows organizations to ensure consistency across plans, minimize contradictory plans, and encourage greater collaboration.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

To be evaluated in this IDC MarketScape, a software vendor had to meet the following inclusion criteria:

- The vendor must provide to the market packaged enterprise planning, budgeting, and forecasting applications.

- The vendor must have 50%+ of its enterprise planning, budgeting, and forecasting applications revenue attributed to the midmarket segment. For this IDC MarketScape, IDC defined midmarket organizations as those with either 100-999 employees or $10-$250 million in annual revenue.

- The vendor must have business operations in two or more regions worldwide.
- The vendor must have a product offering that is industry agnostic (i.e., horizontal and not specific to any particular industry).
- In cases in which the vendor offers financial applications solutions (i.e., software designed to support accounting, financial, and treasury and risk management functions), the vendor must also have a standalone enterprise planning, budgeting, and forecasting applications module. While the latter module may have a dependency on the financial application, this is not a disqualifier in this IDC MarketScape process.
- The vendor must have market presence and momentum based on IDC inquiry volume.

Exclusions include:

- Vendors primarily focused on the financial close and consolidation market
- Vendors of business intelligence software whose products may also be used for analysis of finance or other business domain data
- Vendors of standalone advanced and predictive analytics or AI/ML software
- Vendors that derived less than half of their financial planning and analysis (FP&A) applications software revenue from midmarket organizations

ADVICE FOR TECHNOLOGY BUYERS

- Ensure that your software evaluation processes include assessment of scalability, manageability, security, and compliance with data privacy regulations across the needed jurisdictions in addition to core financial planning, budgeting, and analysis functionality.
- Evaluate the availability and road map for advanced analytics features to enable finance, planning, and analytics professionals to take advantage of the latest AI/ML features.
- Explore applicability and vendor plans for the incorporation of generative AI, including the potential for the generation of explanatory narratives and natural language interfaces. Consider the limitations of current GenAI technology when processing structured and proprietary data. As advanced analytics like AI/ML and predictive analytics are still relatively nascent, make sure that vendors articulate the business value or productivity gains that can be achieved through AI-based automation.
- Consider investing in integrated planning capabilities that coordinate planning across various business functions such as sales, supply chain, operations, and human resources. If executed properly, an integrated planning solution allows organizations to pivot quickly by ensuring that changes in plans in one part of the organization are synchronized with plans in other parts.
- Invest in tools that allow business users to replan, reforecast, and run scenarios easily and intuitively as cycle times for planning/forecasting get shorter.
- Note that finding the right implementation partner is key as you need someone that complements your organization's internal finance and IT skills. Ensure your chosen software vendor has professional services partners with expertise of working with organizations of your size and requirements.

VENDOR SUMMARY PROFILE

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

Workday

Workday is positioned in the Leaders category in this 2024 IDC MarketScape for worldwide enterprise planning, budgeting, and forecasting applications for midmarket organizations.

The technology vendor is represented in this market with its Workday Adaptive Planning offering. Workday Adaptive Planning is sold as a standalone general ledger and ERP application–agnostic offering and as an integrated solution with Workday Financial Management and Workday Human Capital Management (HCM). There are about 6,500 organizations that use Workday Adaptive Planning.

Workday Adaptive Planning is a cloud-native application that can be used via a web browser or Microsoft 365 applications. While many of its customers begin with using the application for financial planning, they expand into other types of planning, such as workforce and operational planning, within their organizations. In March 2024, Workday Adaptive Planning and Consolidation, which packages Workday Adaptive Planning with the close and consolidation capabilities from Workday Financial Management, will be available. With over 700 customers using Workday's close and consolidation capabilities today, this new package offers another purchasing option.

Workday Adaptive Planning is built on Workday's Elastic Hypercube Technology, which provides flexible, scalable, and performant modeling, reporting, and analysis. It has a built-in intelligence to optimize calculations to only those dimensions that are required by each query, thereby improving response times. In addition, the company continues to invest in AI capabilities with newly released predictive forecaster and upcoming enhancements such as Conversational Planning that leverages generative AI.

Workday's customer input and IDC analyst evaluation point to the strengths and challenges that are described in the sections that follow.

Strengths

- Workday Adaptive Planning customers have cited that the platform is user-friendly for both data modelers and business users and that it scales to their business needs. Some customers also liked the fact that they can access the platform in a Microsoft 365 environment.
- Customers benefit from the extensive self-service knowledge base and a strong ecosystem of implementation partners.
- The software is feature rich, with extensive planning, analytics, and data management functionality.

Challenges

- Relative to its competitors, Workday is perceived as having a higher cost; however, the company has relatively more pricing options, which suggest that client cost experiences may vary widely and should be individually reviewed during the evaluation process.

- The wide range of functionality might overwhelm some users and require extensive training.

Consider Workday When

Consider Workday Adaptive Planning if you need a scalable solution that can be deployed in multiple or complex operational environments, with or without financial close and consolidation, and via a web browser or Microsoft 365 applications. Also consider Workday if you already have Workday Financial Management and/or Workday HCM applications.

APPENDIX

Reading an IDC MarketScape Graph

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

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

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

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

IDC MarketScape Methodology

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

Market Definition

Enterprise planning, budgeting, and forecasting applications are prepackaged software applications that combine data ingestion, modeling, analysis, and visualization functionality along with built-in functionality for collaboration, knowledge sharing, and workflow management. Modern applications in this market are cloud based and incorporate advanced analytics and/or AI/ML to augment or automate processes involved in financial analysis, budgeting, forecasting single or cross-functional planning, and scenario analysis.

These applications are a subset of the broader enterprise performance management applications, which in addition to the functionality mentioned previously incorporate functionality for close and

consolidation, financial reporting, cross-functional risk management, and various performance management methodologies, such as for example objectives and key results.

LEARN MORE

Related Research

- *IDC Market Glance: Business Analytics and Decisioning Software, 1Q24* (IDC #US51520724, January 2024)
- *IDC MarketScape: Worldwide Data Clean Room Technology 2024 Vendor Assessment* (IDC #US51607923, January 2024)
- *IDC FutureScape: Worldwide Data and Analytics 2024 Predictions* (IDC #US51295223, October 2023)
- *Worldwide Big Data and Analytics Software Forecast, 2023-2027* (IDC #US50117823, July 2023)
- *A Case for Decision Intelligence: From "What Data Is Needed?" to "What Decisions Need to Be Made?"* (IDC #US50788523, June 2023)
- *Worldwide Enterprise Performance Management Applications Market Shares, 2022: Navigating Uncertainty Through Data-Driven Planning, Scenario Evaluation, and Analysis* (IDC #US49497523, June 2023)
- *Four Planes of Enterprise Intelligence Architecture: A Conceptual View into the Data Plane, Data Control Plane, Data Analysis Plane, and Decisioning Plane* (IDC #US50793023, June 2023)

Synopsis

This IDC study provides an assessment of 11 enterprise planning, budgeting, and forecasting applications vendors that focus on midmarket organizations. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and one another. The study highlights the factors expected to be the most influential for technology buyers as they seek new software to support cross-functional and domain-specific planning, budgeting, scenario analysis, forecasting, and financial analysis processes. This assessment can be used to help define a short list of vendors.

"We expect organizations to continue to invest in the latest enterprise planning, budgeting, and forecasting applications to help them adapt to changes in the business environment, enhance agility to combat market volatility, and identify opportunities to leverage AI," said Chandana Gopal, research director, Business Analytics and Decisioning market research and advisory practice, IDC.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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