

Magic Quadrant for Integrated Workplace Management Systems

Jack Heine

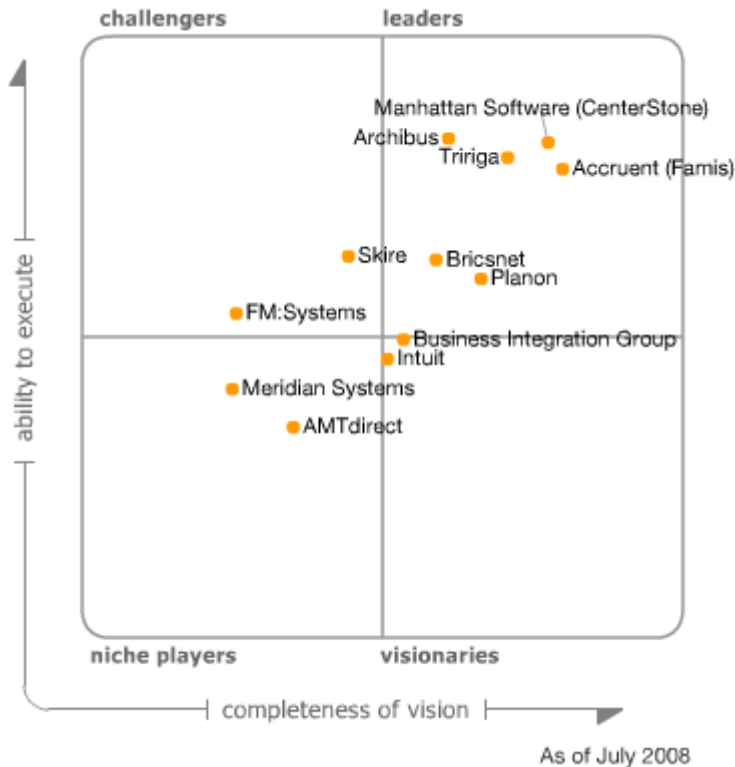
The integrated workplace management system market demonstrated accelerated growth during the past 18 months, from 10% to 12%. It experienced intensified competition for Web-based technology, enhanced functionality and a demand for faster time-to-value installation.

WHAT YOU NEED TO KNOW

The integrated workplace management system (IWMS) market continues to evolve away from point solution providers. Most vendors offer hosted solutions that are Web-accessible and cover the four basic functions of project management (construction), real estate and portfolio management, facilities and space management, and maintenance management. There continues to be a growing emphasis among customers related to time to value, favoring those vendors that can quickly implement solutions to meet the customer's immediate needs. Global capabilities are also becoming areas of customer interest as issues pertaining to managing facilities assets worldwide become a common requirement.

MAGIC QUADRANT

Figure 1. Magic Quadrant for Integrated Workplace Management Systems



Source: Gartner (July 2008)

Market Overview

The IWMS market is primarily user-centric (corporate real estate); it is distinct from real-estate-centric applications aimed at property companies, real estate investment trusts or real estate service companies, such as brokerages and consulting organizations.

Market drivers include:

- Pressure on cost efficiencies, whereby enterprises use the IWMS solution to uncover underused facilities and to execute consolidation and portfolio rationalization (right space at the right place) to reduce occupancy costs.
- Globalization, which is driving a need for a worldwide portfolio view of enterprise workplace assets, where emphasis on local currency, language translation and 24/7 help desk support is becoming a common requirement.
- Compliance requirements, particularly in the context of Section 404 of the Sarbanes-Oxley Act of 2002, which compel executive management to acquire IWMSs to improve financial transparency and auditable data, particularly related to lease transactions. This trend, in combination with new lease accounting standards, demands tighter integration between real estate data and financial data.
- Increased emphasis and legislative mandates requiring greater energy efficiency for operations and maintenance.
- The advent of a life cycle approach to facilities and real estate management, and automating many of the processes in the planning, project management, leasing and day-to-day operations of the facilities portfolio.
- Changing work styles to more-mobile and virtual workplace modes, which require IWMS features that offer employee self-service, office reservation scheduling and remote workforce support. The IWMS becomes, in essence, a service delivery platform for the virtual office worker.
- Requirements to enhance the user experience, in terms of ease of use and accessibility, which are driving many of the leading vendors in the IWMS space to upgrade to the latest in Web-based technologies, characterized by open standards, the use of Ajax and other tools.
- The focus on business continuity and disaster recovery, which require the functionality of an IWMS that can identify backup sites, employee locations and critical infrastructure in the event of a local or regional business interruption.
- Growth in multisourcing of facilities and real estate services that requires that service providers, partners and other contract staff have easy access to workplace data and processes via the portal interfaces that typify IWMS Web-based architectures.
- Standard-setting initiatives, such as the Open Standards Consortium for Real Estate (OSCRE), which aim to define common processes and data architectures that will enable more-efficient data exchange between real estate companies and clients, and continue to stimulate demand for IWMS solutions.

Market Definition/Description

The IWMS market began to emerge in the late 1990s, with rapid evolution since 2000. The market is characterized by enterprise-level software solutions that integrate four key components of functionality: project management, real estate portfolio and lease management, space management (moves, adds and changes), and maintenance management. The software operates from a single database and offers workflow tools, executive dashboards, and predefined and customized reporting capabilities.

Most suite applications will interoperate with other enterprise applications, such as ERP, supply chain management and human capital management, via Web services technologies. The functionality of the IWMS suite continues to evolve as an asset life cycle management system.

The primary functions of the workplace organization can use a single system that can be customized to adapt to enterprise workflow and performance indicators.

Several key features have emerged as high-demand functionality:

- *Shortened time-to-value*: Reduced implementation times and quicker returns on investments are becoming hallmark attributes for those wishing to reduce overall cost and improve efficiency.
- *Role-based portal*: Different roles in the workplace organization can access the system via a portal tailored to the individual's role in the organization.
- *Building assessment*: This functionality provides detailed analysis of building conditions and information necessary for capital budgeting for building upgrades, major system replacements or enhancements.
- *Tighter integration between project management output and building and lease data*: Historically, project data would have to be input manually to the property database; in the IWMS solution, this data can be automatically transferred to the property files.
- *Service-oriented architecture technology that enhances interoperability between the IWMS and other enterprise systems*: It's a fundamental requirement that IWMSs interoperate with the enterprise's financial and HR systems, and operate in multiple database environments, including Oracle, SQL and DB2.
- *Continued interest in earlier-stage functionality*: Other trends in functionality that have been previously identified continue to experience strong customer demand. These include multiple currency and language translation, worldwide 24/7 help desk support, wireless capabilities, strong reporting and business intelligence capabilities, and the ability to use the system to execute what-if scenarios, such as leasing options, building consolidation or use assumptions related to office "hoteling" or desk sharing.
- *Facilities and service management*: This is a priority in the European market, whereas real estate transaction support, portfolio management and lease management tend to be higher priorities in the North American market. Breadth and depth of functionality will be an imperative for IWMS vendors that aspire to operate on a global basis.
- *Strategic portfolio analysis*: Several leading vendors have identified the need in their product road map to provide robust, strategic portfolio planning capabilities to include what-if analysis, scenario building, and sophisticated investment and cash flow analysis, including risk analysis.

Inclusion and Exclusion Criteria

Vendors that qualify for the IWMS Magic Quadrant must offer at least three of the four components of functionality (project management, real estate portfolio/lease management, space management and maintenance management), must have earned at least \$5 million in revenue during 2007, and must have secured at least 12 new customers during 2007. Currently, the IWMS offering must be available as an unbundled offering from other vendor system offerings. This precludes offerings from SAP, Oracle and other enterprise solutions where the IWMS functionality is only available via the enterprise solution suite. This change was made to be consistent with other Gartner Magic Quadrants, most notably the enterprise application management Magic Quadrant.

Added

Vendors added:

Meridian Systems

FM:Systems

Business Integration Group (BIG)

Dropped

Vendors dropped:

Siterra was dropped due to a directional change in products and services.

Fraser Williams was dropped due to a lack of interest in this vendor's products by Gartner clients.

Famis is now combined with Accruent, due to its acquisition in January 2008.

Evaluation Criteria

Ability to Execute

Rating criteria focused on the vendor's operational viability, financial health, breadth and depth of product functionality, customer base globally, and customer satisfaction with the product and with service quality and responsiveness.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	standard
Sales Execution/Pricing	low
Market Responsiveness and Track Record	standard
Marketing Execution	low
Customer Experience	high
Operations	standard

Source: Gartner

Completeness of Vision

Rating criteria focused on the vendor's specific vision relative to integrated workplace management product functionality, the positioning of the offering across a number of industry segments, global reach, and the degree and pace of innovation and product development.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	standard

Evaluation Criteria	Weighting
Marketing Strategy	high
Sales Strategy	low
Offering (Product) Strategy	high
Business Model	standard
Vertical/Industry Strategy	standard
Innovation	high
Geographic Strategy	standard

Source: Gartner

Leaders

Leaders have strength in applications and platform technology, demonstrate a high level of quality in product reliability and service, have strong operational and organizational capabilities and financial stability, have global reach, and offer a strong vision of customer needs reflected in a robust development road map.

Challengers

Challengers demonstrate strength in operational capabilities and adequate product and service offerings, but they exhibit a narrower vision relative to market positioning — that is, they focus on a single vertical market or position their offerings as a set of discrete applications with minimum effort to package as an IWMS offering. Challengers also may have weaknesses or gaps in their product or service offerings, which keeps them at a challenger status.

Visionaries

Visionaries have a solid vision for product functionality, service quality and a clear development plan. However, they are still not fully market tested with a significant base of IWMS customers. Visionaries are still sorting out market positioning and their go-to-market strategies.

Niche Players

Niche players may have adequate product functionality, but they have yet to articulate a clear market or product positioning strategy. Niche vendors also are limited to one geographic region and may reflect gaps in their product offerings that keep them as niche players.

Vendor Strengths and Cautions

Accruent (Famis)

Strengths

- Accruent remains a leading provider of real estate performance management solutions, with a particularly strong offering in lease and location management in the retail sector.
- Financial management reporting is a strength, achieving Sarbanes-Oxley compliance and producing accurate Financial Accounting Standards Board (FASB) reporting.
- Retail and higher education (via Famis) have been "sweet spots" for Accruent, while the new combination is intended to drive a new focus on the broader corporate market.

Cautions

- A lack of database standards among its product suite has caused some client problems in integrating new functions.
- Full integration of Famis' products with Accruent's products is 18 to 24 months away.

AMTdirect

Strengths

- AMTdirect is an application service provider (ASP) that offers a strong real estate and lease management suite of functionality. AMTdirect's major strength is in its high-end property and lease administration system.
- AMTdirect delivers additional value through its domain experience in the industry, reflecting its staff of experts in the fields of retail, corporate and property management.
- For organizations seeking a hosted solution and requiring significant domain knowledge for system integration, AMTdirect is a good choice.

Cautions

- Clients have reported inconsistencies in problem resolution, with success apparently based on the individual being contacted.
- There are also reported product difficulties with report creation and search functionality using data elements from different modules being merged in a single report (data integration).
- AMTdirect only offers its product as an ASP delivery model.
- There is a lack of space planning capabilities within the product suite.

Archibus

Strengths

- For organizations requiring a significant global presence, Archibus is clearly the leader in this important aspect.
- Archibus has a broad level of functionality, with particular strengths in real estate, facility management, asset management and building operations management.
- The range of Archibus IWMS components contains product offerings from a low-cost solution to a full enterprise suite covering all IWMS functionality.
- Archibus also offers a complete set of reporting dashboards to meet almost every need.

Cautions

- Reference clients using versions prior to the December 2007 release report Web interface issues as a problem.
- Products need to move from a tabular view of data to a more graphic interface, which most clients prefer.

Bricsnet

Strengths

- Bricsnet's service-oriented architecture and integration layer permit clients to leverage existing investments in technology. Integration is accomplished via an enterprise service bus, using Web services.
- Bricsnet continues to focus on time-to-value, via quick implementation leveraging embedded process templates rather than customized solutions.
- Bricsnet products also provide excellent executive-level key performance reporting.

Cautions

- Product shortcomings include system documentation, which impacts implementation.
- Inability to meet "functionality road map" enhancement schedules has caused some frustration for clients.

Business Integration Group

Strengths

- BIG's product suite addresses all major real estate life cycle functions as defined by Gartner for IWMS.
- BIG has a financial and product development relationship with the world's largest privately held commercial real estate services firm, providing financial stability and ensuring that new product enhancements meet practical requirements.
- BIG's IWMS offerings are particularly suited to corporate occupiers, landlords, real estate investment trusts, public-sector organizations and universities.

Cautions

- Client references previously reported a lack of domain knowledge associated with vendor-provided implementation resources but noted increased strength in recent years.
- System documentation was noted as a potential area for improvement, to ensure smooth implementations.
- References reported some issues with cross-module integration and data searches.

FM:Systems

Strengths

- FM:Systems' primary target market is corporations that manage space and real estate for at least 1,500 occupants. FM:Systems has a solid presence in this segment of the marketplace, with at least five large clients in nearly every vertical industry.
- FM:Systems' products focus primarily on project management and facilities and space management.
- FM:Systems' product platform is called FM:Interact and is positioned as a Web-based, enterprise platform for managing and sharing workplace information.

Cautions

- Customers that chose to implement without the assistance of FM:Systems consulting services or a qualified partner have reported issues with standard user training and documentation, causing difficulties in implementation.
- References have reported high sales staff turnover, which has caused communications problems between clients and the vendor.
- FM:Systems lacks some functionality in real estate portfolio management.

Intuit

Strengths

- Intuit's Real Estate Solutions (IRES) continues to evolve its IWMS suite of offerings for the corporate user market. The base offering, CRE Manager, is the first solution having all components of the real estate life cycle in one system, using one database, from one vendor.
- CRE Manager gives clients an end-to-end solution that actively supports the distinct processes they use to run their business.
- Intuit solutions are delivered on premises or as an ASP/hosted solution.

Cautions

- References point out that documentation needs improvement because it hinders implementation.
- Staff quality is uneven regarding product familiarity; thus, problem resolution is sometimes frustrating for clients.
- It lacks complete generally accepted accounting principles (GAAP) accounting support.

Manhattan Software (CenterStone)

Strengths

- Manhattan Software completed the acquisition of CenterStone Software during the fourth quarter of 2006, which increased the vendor's presence in North America while enhancing product functionality, particularly in the area of space management.
- Manhattan's IWMS suite now contains all IWMS functionality as defined by Gartner.
- Manhattan is one of the few true global IWMS vendors, with 18 offices supporting customers in 140 countries on five continents.
- Manhattan's new release, Manhattan 7.0, is a standards-based implementation of Web 2.0 using Ajax. It supports multiple server environments, including IBM WebSphere, Apache Tomcat and IIS Web servers running on Microsoft Windows and Linux/Unix servers.

Cautions

- Integration of CenterStone products with Manhattan's current suite has not yet been deployed.

- The Web interface can be a problem. Be sure to clearly define your requirements in this area.

Meridian Systems

Strengths

- Meridian has a strong domain experience in the area of construction project management.
- Meridian offers an infrastructure life cycle management solution in its Proliance product. Proliance is a combination of project portfolio management, facility management and business intelligence analytics
- Meridian also has noticeable strengths in interoperability with multidatabase platforms (Oracle, SQL, DB2).

Cautions

- Sequential screen navigation design presents a problem for experienced users who want to skip to subsequent report and data entry screens.
- Some clients report difficulties in creating new reports, too frequently requiring vendor assistance. Meridian has since released the Proliance Starter pack of preconfigured report templates that could assist some clients; clients should determine if standards reports meet their needs.
- The product has functional shortfalls in space management.

Planon

Strengths

- Planon offers a fixed-price implementation scenario and claims to have a track record success rate of 95% on-time and within budget.
- A key differentiator in Planon's technology platform is its multiple-client architecture employing Web 2.0 technology and offering wireless, Web and rich-client interfaces.
- Planon is an SAP-certified partner and operates effectively in SAP's NetWeaver environment.
- "Managed Flexible Workplaces" is an important theme for Planon (with considerable strengths in moves/adds/changes work administration via the service desk functionality).
- Planon has a significant presence in Europe, with six regional offices.

Cautions

- Reference clients reported that some database enhancements were difficult to implement.
- The graphical user interface for room reservation needs improvement, and the room-booking view is not very intuitive.

Skire

Strengths

- Skire is a provider of facilities life cycle management tools either as a hosted (SaaS) solution or with on-premises installations.
- Its suite of functionality covers real estate, project management and maintenance management.
- Skire's product strength is focused on its highly configurable workflow, which enables users to leverage out-of-the-box templates or automate business processes without developing any custom code for a variety of project management, procurement and maintenance tasks.
- Skire provides a centralized Web-based system for organizations to manage business processes and information across a wide range of construction, maintenance and administrative projects.

Cautions

- Shortcomings in functionality tend to be in the area of space management.
- Skire does not yet have a major presence outside of North America.

Tririga

Strengths

- Tririga is considered by clients and competing vendors as one of the more complex offerings, capable of meeting most customer needs in the major aspects of real estate life cycle management.
- Tririga products cover all aspects of IWMS functionality.
- Report development and generation have seen significant improvements from an ease-of-use perspective to include enhanced search and navigation capabilities.
- Tririga has a solid presence in most vertical industries, making it a strong choice for multi-industry enterprises.

Cautions

- Many Tririga implementations rely on third-party system integrators, and problems have been noted by several Gartner clients with respect to the integrators' technical expertise regarding Tririga's products and in business process development work prior to the implementation for some installations.
- Tririga products, though functionally rich, also tend to be the highest priced.
- End-user training and system documentation have been cited by clients as an area of weakness.

RECOMMENDED READING

"Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market"

"Choose Your IWMS System Integrator Wisely"

"Integrated Workplace Management Systems: 2006 Market Update"

"Bolster Your Return on Investment With Integrated Workplace Management Systems"

"Magic Quadrant for Integrated Workplace Management Systems, 2005"

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills, etc., whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track 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 in order 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, 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, etc.

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 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 Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product 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 set 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 verticals.

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.

REGIONAL HEADQUARTERS

Corporate Headquarters

56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters

Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters

Gartner Japan Ltd.
Aobadai Hills, 6F
7-7, Aobadai, 4-chome
Meguro-ku, Tokyo 153-0042
JAPAN
+81 3 3481 3670

Latin America Headquarters

Gartner do Brazil
Av. das Nações Unidas, 12551
9º andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509