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Research

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Magic Quadrant for the IT Service Desk

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In 2010, IT organizations are selecting IT service desk tools based on ease of implementation, pricing flexibility and breadth of integrated IT service management tool offerings. Vendors have responded by offering out-of-the-box best practices and templates, and a choice of licensing models.

WHAT YOU NEED TO KNOW

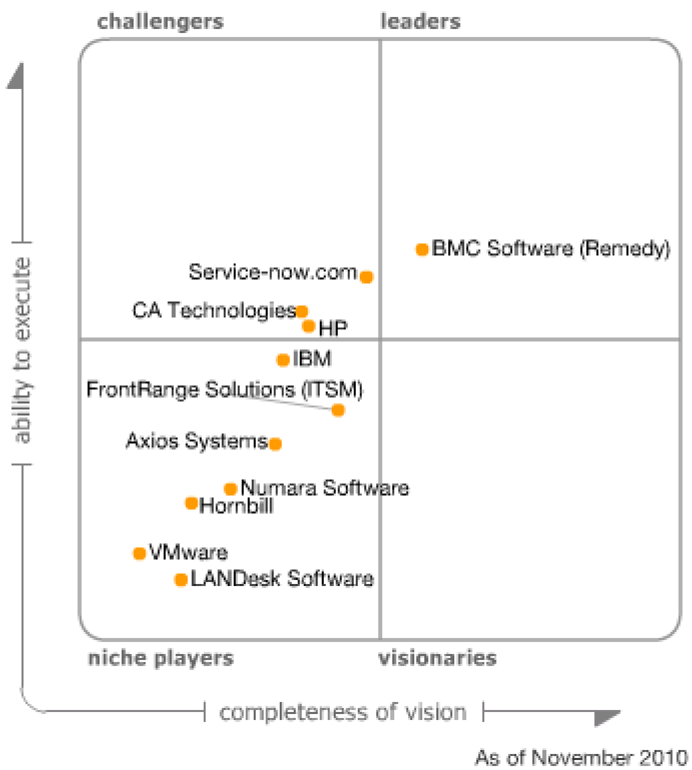
Gartner's 2010 IT service desk Magic Quadrant focuses on enterprise-class vendors that meet Gartner's criteria, as defined below, which include the vendor's ability, demonstrated through customer references and Gartner client inquiries, to address the needs of enterprise customers seeking functionality for incident, problem, change, knowledge, self-service and service-level agreement (SLA) management.

The IT service desk market was a $1.2 billion market in 2009, and experienced an annual decline of 1.6%, which was not unexpected because of the global economic downturn. The 1.6% decrease was in line with the overall 1.8% decline in the overall IT operations management software market (see "Market Share: IT Operations Management Software, Worldwide, 2009"). Although there has been a noticeable decline in the number of IT organizations buying new tools in 2009 and 2010 (the market growth rate in 2008 was 19.6%), interest in IT service desk staffing, metrics and best practices remains very high for Gartner clients, as evidenced by the number of inquiries we receive.

IT organizations of every shape and size continue to struggle with aligning IT service support with the expectations of the business, reducing costs, providing high end-user satisfaction and streamlining processes. The value of an IT service desk tool is measured by its ability to automate and manage the IT organization's service support processes, organizational structure and metrics, plus the ability to integrate with other IT service management (ITSM) disciplines, such as IT asset management, service catalog and configuration management databases (CMDBs). IT service desk tools are largely commoditized, especially in incident management where vendor functionality is 90% to 95% similar. The vendors look to differentiate themselves, not with innovation in features and functionality, but by offering ease of implementation, licensing model flexibility, embedded best practices, and integration with ITSM tools. The IT service desk market is getting more competitive, with more vendors offering more tools and licensing models, thus driving down software costs and having vendors fighting even harder for what incremental revenue there is.

MAGIC QUADRANT

Figure 1. Magic Quadrant for the IT Service Desk



Source: Gartner (November 2010)

Market Overview

Process re-engineering, budget reductions and higher integration of IT support in the overall ITSM offerings has encouraged IT organizations to streamline IT service and support, not just within the IT service desk, but across the entire IT organization. The IT service desk market continues to play a significant role in the delivery of IT services to the corporate enterprise. Its fundamental role continues to incrementally grow, beyond the IT help desk role of the past, to a primary hub in the IT organization's ability to define, deliver, manage and report on the IT organization's service support delivery. Therefore, the scope of the IT service desk market continues to be shaped by the expanded definition of IT service desk, which not only manages core incident, knowledge, self-service and problem management, but also includes a large suite of tools, including change, service request, and SLA management. In addition, it integrates with other ITSM tools, including configuration management (CMDB or discovery repository), asset, service catalog and event management.

There has been little difference in the trends and expectation of IT service desk customers in 2010, compared with previous years. We have seen a significant shift in the licensing model requirements of customers from the traditional on-premises model to software as a service (SaaS); however, market expectations and behaviors from customers and prospects have remained largely similar to the previous 12 to 24 months. IT organizations continue to wrestle with missing functional needs, poorly developed tool acquisition business cases, ongoing process maturity re-engineering initiatives, and a primary focus on reducing the cost of IT service support delivery. Quality of service clearly is of interest; however, it continues to take a back seat to cost reduction interests. Gartner finds that it is the absence of IT service quality within IT organizations that pushes IT organizations to seek a new tool every four to five years as a perceived solution to the service quality woes. Meanwhile, the IT service desk vendor landscape continues to expand, most notably with the entrance of Microsoft. The vast array of 80+ IT service desk vendors has become an impossible landscape for IT organizations to navigate (see "The 2010 IT Service Desk Market Landscape").

The minor decline in revenue growth in 2009 can certainly be linked with overall economic conditions yielding fewer buying decisions. Additionally, sales cycles continue to grow longer as IT organizations and business stakeholders include the IT service desk with large ITSM tool initiatives. In addition to the economic downturn and longer sale cycles, vendors struggle for new business in a market crowded with vendor options, where functional differentiation is diminishing. Customers' continuing attention to cost control has caused vendors to focus greater attention on the pricing and packaging of solutions. This focus by vendors on improving and expanding pricing and packaging solutions has led to little innovation in core features, functionality and customer usage of the tools, which is the primary reason none of the vendors were in the Visionaries quadrant. To truly compare vendors in context to the market dynamics, there are some key nuances in 2009 and early 2010 which help frame this Magic Quadrant's strategic value and positioning of the vendors.

The top five trends shaping 2010, and into 2011, that are causing market and vendor shifts in the IT service desk landscape are tool acquisition and service desk business plan, SaaS versus on-premises life cycle licensing cost, process re-engineering projects, IT service support scope, and a focus on integration.

Tool acquisition and service desk business plan: There continues to exist an erroneous belief that the IT service desk tool represents the greatest cost for IT service support. According to Gartner's IT Key Metrics Data (see "IT Key Metrics Data 2009: Executive Summary"), the IT service desk accounts for about 4% of the total IT budget. Since 86% of the cost of an IT service desk is staffing related (see "IT Key Metrics Data 2009: Key Infrastructure Measures: Help Desk Analysis: Multi Year"), that means about 3.9% of the total IT budget is spent on IT service desk staff. Most IT service desk tool RFP and acquisitions reviewed by Gartner find the emphasis of attention to be placed on tool cost and functional features. The majority of acquisition projects lack foundational insight into the true scope and life cycle of the project over a longer period of time (see "Managing Your IT Service Desk Tool Acquisition: Key Questions That Must Be Addressed During the Acquisition Process"). In addition, the majority of acquisition projects lack identified critical success factors (CSFs) or key performance indicators (KPIs) that illustrate how the IT service desk is performing against expectations. The overall IT service desk may still be perceived by IT management as a cost center to be shrunk. Therefore, the focus is continuously cost-focused, without a true understanding of the total scope of cost or the quality of support.

This limited understanding of how these tools automate service delivery, help IT meet the required SLAs and improve cost efficiencies diminishes the ability to factually scope tool functions and cost analysis. Therefore, IT service and support organizations that only consider the cost of a new tool and not its functionality, overall process improvement and CSFs will find themselves four to five years from now in the same place they are now. Fundamentally, IT organizations need to invest more analysis effort on metrics, processes, service-level expectations and support costs out of the box. Your vendor of choice should provide and implement meaningful measurements and reportable content from day one of production. The ability to quickly and correctly measure key IT service and support metrics, such as mean time to repair (MTTR), first contact resolution (FCR) rate, end-user satisfaction, cost per calls and so forth, should be the most important criteria when choosing a new tool, and having access to that data is essential for the IT service and support organizations to justify further improvements.

SaaS versus on-premises life cycle licensing cost: SaaS is defined as software owned, delivered and managed remotely by one or more providers, and purchased on a pay-for-use basis or as a subscription. On-premises applications are acquired, owned, managed and located behind the acquiring company's firewall, typically purchased as a one-time capital expense. A mere two years ago, there were less than 10% of vendors offering service desk tools via a SaaS platform with subscription pricing. Entering 2H10, approximately 30% of the vendors in the market, with solutions for SMBs and large enterprises, have SaaS offerings. One of the primary catalysts for demand is a market perception that SaaS offers a drastic reduction in tool total cost of ownership.

The fundamental problem with vendor-to-vendor SaaS versus on-premises price comparison is the lack of true life cycle cost analysis. By and large, very few IT organizations determine return on investment (ROI) of a new tool purchase or think about cost beyond one year. SaaS license costs for a new IT service desk tool are typically 50% to 75% less in year one than a comparable on-premises capital purchase. This cost difference in year one makes SaaS very attractive to budget-constrained IT organizations looking to acquire a new tool. However, an analysis that looks at the total cost of ownership over a four- to five-year period makes the cost much more equal. Based on Gartner Key Metrics Data, as outlined above, only 14% of the IT service desk cost structure is associated with hardware, software and facilities. So the actual IT service desk tool could represent even less that 10% of the overall support budget costs. Another flaw common in IT service desk RFP cost analysis is the assumption that end-user subscription rates will stay the same or go down at the end of the two- or three-year subscription contract. New vendor SaaS solutions entering the market today are being aggressively priced to gain market share, and Gartner believes this highly discounted pricing will increase once SaaS license contracts renew.

Process re-engineering projects: Embracing out-of-the-box best practices based on the Information Technology Infrastructure Library (ITIL) is a very common request by IT organizations; however, behaviors suggest that most best practices are homegrown. Gartner research shows that, even when provided with out-of-the-box templates and best practices, most IT organizations will allocate months to "tailor" them to their organizations' unique needs. Even the IT organization with very mature processes, roles and responsibilities has its own categorization, workflows, escalations and SLAs that must be configured into a new tool before it can be placed into production. In many cases, the tweaks to best-practice process guidance can actually result in slowing the advancement of process maturity, because IT organizations might use out-of-the-box templates and skip an assessment to understand current state, future state and the development of high-level functional requirements.

Having ITIL best-practice content is a top criteria in tool acquisition selection. Process workflows following ITIL descriptions are embedded, to various degrees, in the given process module of all the vendors listed in this Magic Quadrant. All IT service desk vendors market these out-of-the-box best practices. Unfortunately, these best-practice workflows tend to offer the basics of the top macro steps of a workflow for individual stand-alone processes. The operational environment is, in fact, more complex, requiring greater granular task/activity and integration of multiple process guidance. This degree of differentiation, such as enhanced detailed templates offering procedural steps and work instructions by process role, is offered by a smaller percentage of vendors, such as BMC Software, CA Technologies and HP.

IT service support scope: Understanding the scope of IT services and support offered to the organization is critical to determining the role and functionality requirements of an IT service desk tool. A small percentage of IT organizations still look at the IT service desk as a stand-alone function, but more-mature IT organizations look at the IT service desk as one piece of a much larger IT service and support strategy. IT organizations often see the benefit of integrating the IT service desk tool, processes and people with other service and support functions, such as change, inventory and PC configuration management. More-mature IT organizations will take it a step further and look to integrate the IT service desk with asset management, a CMDB, service catalog, event management and capacity planning. The IT organization's goal for the IT service desk's role within a large IT service and support vision will dictate the vendor selection criteria and the vendors who make the selection shortlist. For example, if the IT service desk is needed for incident handling and not required to integrate with other processes, such as problem and change, then your overall service cost model will be scoped accordingly and the vast majority of the 80+ service desk vendors will likely meet most requirements. However, if an IT organization believes that incident quality and cost efficiency are linked to the quality of problem and change process work, then the tool and integration requirements would need to reflect this in the service scenario.

When choosing a new IT service desk tool, it is important to understand the IT service scope and where the IT service desk tool fits into that strategy. A common judgment error we find is that IT organizations often overbuy ITSM modules, or look to a more broader and expensive suite than they have the maturity or resources to implement. For example, an IT service desk suite of tools that contains functionality for incident, problem, change, configuration, release, service request, knowledge, and self-service management might sound enticing to an IT organization, but if they only have the resources, business case, and maturity to successfully implement incident and change management within the next three years, then they probably could have found a more appropriate tool.

Focus on integration: In the vendor selection process, the ability to integrate is requested in 90% of deals. Integration can take many forms. Since the late 1990s, there has been integration demand between IT service desk and prominent IT operations management (ITOM) tools in the production environment. Integrations can be as simple as integration with an LDAP directory to very complex, such as a bidirectional supply chain management tool. It is also expected to exist within the IT service desk process modules, such as incident and change management. The realities of outsourcing and multisourcing require integration that can span connecting workflows between multiple service providers. As IT organizations manage a growing IT services base, there will be a need to manage the end-to-end IT services.

The market's ability to exploit these integrations has a "hit or miss" record in the industry. Ability to integrate with prominent ITOM tools, after nearly 10 years, has improved in the areas of event management and basic configuration discovery feeds. However, there continues to be little investment made by vendors to integrate their modules with other vendors' modules, and customers should not rely on vendor standards to resolve this problem. Integration between multiple process modules within a vendor's suite, to date, has made limited traction with IT organizations as they struggle to find value or reporting techniques. The ability to easily integrate workflow tools across providers also increases complexity and tends to require professional services. What will be critically important is the ability to offer integration from the governance of the IT service desk core workflows to other governance tools existing with other sourcing providers in a given IT service. And to do this with more than just an application programming interface (API) will be essential to the IT service desk tool buyer.

When buying an IT service desk tool, it is important to understand your integration road map and what exactly your definition of integration is. Vendors will inherently tell you that their tool integrates with all other technologies. Understanding the technology, customer success rate, cost, and complexity behind integration among the IT service desk and other ITSM tools should have a high vendor selection criteria weighting. Additionally, it is important to budget resources for these integrations as the vendors upgrade their version and change product road maps.

Finally, it is important to understand that technology integration is only a small part or challenge. Most organizations struggle with the people and process part of functionality integration. For example, over half of the vendor customer references we contacted as part of this Magic Quadrant research did not have incident and change management integrated from a process and tool perspective, even though this capability exists in all the vendors' tools covered in this Magic Quadrant.

Market Definition/Description

IT service desk (also known as IT help desk) tools document, review, escalate, analyze, close and report incidents and problem records. Foundational functionalities include classification, categorization, business rules, workflow, reporting and search engines. These tools manage the life cycles of incidents and problem records from recording to closing. IT service desk tools automate the process of identifying the individual or group responsible for resolution, suggesting possible resolution scenarios and escalation, if necessary, until the service and support request is resolved. Typical IT service desk suites will extend incident and problem management to Web self-service, basic SLAs, end-user satisfaction survey functionality, basic knowledge management and service request management. IT service desk suites often integrate with inventory, change, configuration, robust knowledge and PC life cycle configuration management modules. In addition, the IT service desk is considered an important function in the ITIL best-practice process frameworks. IT service desk tools have traditionally been purchased as on-premises solutions, but there is a growing trend for SaaS IT service desk solutions.

IT change management (ITCM) tool functionality governs the documentation, review, approval, coordination, scheduling, monitoring and reporting of requests for change (RFCs). The basic functional requirements begin in the area of case documentation, including industry-standard assignment capabilities of classification and categorization (such as risk and priority), with advanced functionality to manage "preapproved" or standard RFC-type lists. The tool must include a solid workflow engine to manage embedded workflows (such as standard RFC life cycles), as well as provide escalation and notification capabilities, which can be executed manually or automated via business rules. RFC workflows are presented graphically, and are capable of managing assessment and segmented approval with the ability to adjust automatically, based on alterations and multitask change records.

To strengthen the ability to handle the large volume of RFC activity, ITCM tools enable multitasked assignment, risk/impact assessment and multiviews of change schedules, as well as calendaring (including the ability to manage maintenance and freeze windows). Critical integrations with configuration, release and CMDB technologies are required for change management tool success (see "Aligning Change Process and Tools to Configuration and Release"), and are fast becoming foundational requirements for enterprise-scale production environments. In these environments, high change volumes are fraught with complexity and high-risk activity, which require the utmost coordination of configuration knowledge to change activity. For example, the categorization of a configuration item within the case log in ITCM tools will improve risk, impact and collision analysis capabilities through the integration with a CMDB. Integration with release management tools improves quality and efficiency when ITCM workflow policy coordinates RFC grouping and hand-offs to release execution. Advancing the ability to manage preapproved change activity, integration has begun between ITCM tools, server configuration, run book automation and virtualization management tools to automate RFC governance and deployment. ITCM tools can be leveraged to address audit demands, such as the Sarbanes-Oxley Act, by integrating with configuration audit tools. The majority of ITCM tools are a module within IT service desk suites, offering integration with incident and problem management. Lastly, ITCM tools must provide metric analysis to deliver management reports covering SLAs, CSFs and KPIs.

Inclusion and Exclusion Criteria

The criteria for inclusion in the 2010 Magic Quadrant for the IT Service Desk are as follows:

- The IT service desk product must include modules for incident management, problem management, change management, inventory management, self-service, knowledge management, service request management and SLA management.
- The offering must be running in production in enterprise environments of more than 4,000 employees, with concurrent usage of incident management, change management and at least two of the other modules.
- Gartner client inquiry data confirms that the product is of interest to Gartner clients in enterprise environments by making their product selection shortlists.

Added

Hornbill

Dropped

iET Solutions

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate technology providers on the quality and efficacy of the processes, systems, methods or procedures that enable IT provider performance to be competitive, efficient and effective, and to positively impact revenue, retention and reputation. Ultimately, technology providers are judged on their ability and success in capitalizing on their vision.

For the IT service desk Magic Quadrant, we evaluated the vendors' ability to execute on the following criteria:

Product/Service: We evaluate the capabilities, quality, usability, integration and feature set of the vendor's incident management, problem management, service request management, self-service management, knowledge management, change management and service-level management offerings.

Overall Viability (Business Unit, Financial, Strategy, Organization): We evaluate the vendor's capability to ensure the continued vitality of its service desk offering. Analysis will cover financial performance (such as revenue growth, profitability and investment in R&D), continued support of customers, and a clear road map regarding the direction the product will take in 2010, 2011 and 2012.

Sales Execution/Pricing: We evaluate the vendor's capability to provide global sales that aligns to its marketing messages. This criterion was most influenced by the frequency of the vendor's appearance on buyer shortlists and ability to win new customers.

Market Responsiveness and Track Record: We evaluate the execution on delivering products consistently, in a timely fashion, and meeting road map timelines. We also evaluate the vendor's agility in meeting new market demands, and how well the vendor received customer feedback and quickly built it into the product.

Marketing Execution: This refers to the vendor's capability to consistently generate market demand and "mind share" of its IT service desk solution through marketing programs and media visibility. We evaluate the degree to which customers and partners have a positive brand image of the solution, and whether the vendor has credibility in this market.

Customer Experience: We evaluate the vendor's reputation in the market, based on customers' feedback regarding their experience in working with the vendor, whether they were glad they chose the vendor's product and whether they planned to continue working with the vendor.

Operations: The vendor needs to offer consistent and comprehensive pricing models and structures. The vendor will be measured on its flexibility to support multiple pricing scenarios, including on-premises licensing, as well as SaaS. The vendor must have sufficient professional services — in-house or through partners — to meet evolving customer requirements.

Table 1. Ability to Execute Evaluation Criteria

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

Source: Gartner (November 2010)

Completeness of Vision

Gartner analysts evaluate technology providers on their ability to convincingly articulate logical statements about current and future market direction, innovation, customer needs, and competitive forces, and how well they map to the Gartner position. Ultimately, technology providers are rated on their understanding of how market forces can be exploited to create opportunity for the provider.

For the IT service desk Magic Quadrant, we evaluated the vendors' completeness of vision on the following criteria:

Market Understanding: To succeed, a vendor must understand the highly diverse maturity levels and its customers' specific wants and needs. The vendor must understand the buyer of IT service desk tools in conjunction with a larger, integrated IT service management vision.

Marketing Strategy: We evaluate the vendor's capability to deliver a clear and differentiated message that maps to current and future market demands, and, most importantly, the vendor's commitment to the IT service desk market through its website, advertising programs and positioning statements.

Sales Strategy: We evaluate the vendor's approach to selling IT service desk solutions to IT organizations and managed service providers (MSPs), how geographically diverse the vendor is from a sales and support standpoint, and the appropriate network of direct and indirect sales.

Offering (Product) Strategy: We evaluate the depth and breadth of the vendor's IT service desk offering and the vendor's approach to product development and delivery that emphasizes differentiation, functionality, and feature sets as they map to current and future requirements. We also evaluate the vendors' ability to offer both an on-premises and SaaS licensing model solution.

Business Model: We evaluate whether the vendor continuously manages a well-balanced business case that demonstrates appropriate funding and alignment of staffing resources to succeed in this market.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including MSPs.

Innovation: We evaluate the vendor's ability to demonstrate differentiation in three key areas: fundamental service desk attributes, process module functionality and pricing/packaging models. In the area of service desk fundamental attributes, we evaluate ease of implementation, simplicity of usability, embedded best practice and reporting. In the area of process module functionality, we will focus on service level, service request and change management modules. Lastly, in the area of pricing/packaging, we will focus on breadth of licensing models and simplicity of packaging. Vendors must demonstrate capabilities in these areas and also that customers are using them in production.

Geographic Strategy: We evaluate the vendor's ability to meet the sales and support requirements of IT organizations worldwide.

Table 2. Completeness of Vision Evaluation Criteria

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

Source: Gartner (November 2010)

Leaders

Leaders in the Magic Quadrant are financially viable vendors with a clear vision of how the IT service desk will evolve, and they have a proven track record for delivering service desk solutions. Leaders have had success in all the following areas:

- Significant market share
- High degree of visibility
- Broad geographic presence
- Integration among incident, problem, change management and CMDB strategies
- Depth of functionality and industry-leading features that sets the vendor apart from the competition
- Scalable deployments in very large enterprises

- A deep understanding of the client's needs in managing a successful IT service desk, in context with ITSM needs
- Best-practice guidelines and templates to help ensure a successful deployment

Leaders do not necessarily offer the best solution for every customer requirement, but their products are strong, overall, with some exceptional capabilities. BMC Software (Remedy) is in the Leaders quadrant.

Challengers

Challengers have a strong ability to execute their sales and marketing strategies, as well as solid product features and functionality, and competitive pricing. However, their solutions do not reflect a clear vision of how the service desk market is evolving, and these vendors are not as innovative or advanced as the Leaders. Vendors in this quadrant excel in their ability to execute, leading to their high market share and appearance on numerous shortlists. This ability is bolstered by overall fiscal health and a superior track record for market responsiveness and customer service. CA, HP, and Service-now.com are in the Challengers quadrant.

Visionaries

Visionaries demonstrate a clear understanding of the IT service desk market and provide key elements of innovation that illustrate the future of the market. However, they lack the ability to influence a large portion of the market and are unable to execute with the same capabilities as vendors in the Leaders quadrant. No vendors are in the Visionaries quadrant.

Niche Players

Niche Players are perfectly viable choices, but they are facing challenges on the execution and vision axis. Vision challenges include current and future market directions, innovations, customer needs and competitive forces. Execution challenges include product features and functionality, customer focus, R&D investment and sales execution. Axios Systems, FrontRange Solutions (ITSM), Hornbill, IBM, LANDesk Software, Numara Software and VMware are in the Niche Players quadrant.

Vendor Strengths and Cautions

Axios Systems

Axios Systems is a privately held ITSM vendor headquartered in Edinburgh, Scotland. Its geographic focus has been primarily in Western Europe, but it has recently re-energized its focus on North America and the Middle East. Axios continues to have success competing against much larger vendors by delivering a solid product, strong process re-engineering services and very good customer satisfaction. The company's biggest challenge continues to be competing in an increasingly crowded IT service market against vendors with much larger resources. For this Magic Quadrant, we reviewed Axios Systems assyst version 9. Axios offers both SaaS and on-premises licensing models for its product. Version 10 is scheduled for release in 1Q11.

Strengths

- Proven fundamental IT service desk offering.
- Attentive to customer needs and development requests.
- Loyal installed base gives it strength in the market.

Cautions

- Some customers state that it is difficult to create customized reports and dashboards.
- Some customers state that the user interface needs improvement.
- Axios is a profitable, privately owned business, with limited capital resources to support growth and remain competitive against a growing number of competitors.

BMC Software (Remedy)

BMC, located in Houston, Texas, is the IT service desk market leader, with a 36.1% market share. This Magic Quadrant reviews BMC's enterprise-class IT service desk tool, Remedy, and not its SMB tools, Service Desk Express and ServiceDesk on Force.com. BMC has been the IT service desk market leader for close to two decades, and its success can be attributed to the Remedy brand name, a full-featured offering, design platform flexibility, and large sales and marketing staff. BMC's biggest challenge is to migrate existing customers from legacy versions and remove the industry perception that Remedy is an overly complex tool. For this Magic Quadrant, we reviewed Remedy version 7.6. BMC offers both a SaaS (Remedy OnDemand) and an on-premises licensing model for its product. Version 8.0 is scheduled for release in mid-2011.

Strengths

- Underlying workflow engine makes it very easy to add tasks, microworkflows and approvals.
- Strong out-of-the-box best practices and templates included in the tool.
- Industry-leading, enterprise-scale change capability extending to integration with CMDB and release management.

Cautions

- A large base of customers are on version 6 or earlier, because upgrading to the current release is perceived as expensive and difficult.
- Some customers report that implementation of the product can be complex.
- The scope of BMC's service engagements is not communicated consistently and is not easily understood by customers.

CA Technologies

CA Technologies, located in Islandia, New York, currently has 7.3% IT service desk market share. CA typically sells to large enterprises and remains competitive by offering a full-featured product, a wide breadth of ITSM tools, and many out-of-the-box best-practice templates built into the product. It also has a comprehensive global sales, marketing and support team. CA remains competitive with its two largest rivals, BMC and HP, with the company's biggest challenge being its ability to execute on its recently announced SaaS model. For this Magic Quadrant, we reviewed CA Service Desk Manager r.12.5. CA offers both a SaaS (Service Desk On-Demand) and an on-premises licensing model for its product.

Strengths

- Strong incident and problem management.

- Product road map contains a solid upgrade path, allowing customers to keep on current versions.
- Strong customer focus by account team.

Cautions

- Tool has limited large-enterprise-scale multichange risk and collision analysis and reporting capabilities.
- Some customers state that implementations may take longer than expected.
- Some customers state that it is difficult to create customized reports and dashboards.

FrontRange Solutions (ITSM)

FrontRange Solutions, headquartered in Pleasanton, California, is owned by Francisco Partners, a private equity firm. This Magic Quadrant reviews FrontRange's enterprise IT service desk tool, ITSM, and not the company's SMB tool, HEAT. FrontRange is a mature IT service desk vendor whose success is due to its strong product offering, aggressive product road map, and its excellence in sales and marketing execution. FrontRange executes well against larger vendors like BMC, CA, IBM and HP, but its "sweet spot" still remains in with smaller enterprises. FrontRange's biggest challenge is to competitively position its newly released SaaS offering in the market. For this Magic Quadrant, we reviewed FrontRange Solutions ITSM v.6.2. FrontRange offers both a SaaS (Service Desk On-Demand) and an on-premises licensing model for its product. ITSM version 7.0 was released in mid-2010.

Strengths

- FrontRange's voice over Internet Protocol (VoIP) product offering for automated call distribution and queuing is innovative.
- Implementation service offerings are easy to understand to budget for.
- Strong track record of funding research and development, and making investments in the company's portfolio.

Cautions

- Tool does not provide enterprise-scale, high-volume and high-change-risk and collision capabilities.
- Although improving, FrontRange lacks experience with very large, global enterprise implementations.
- Lack of execution in marketing prevents FrontRange from being considered as an enterprise vendor.

Hornbill

Hornbill, headquartered near London, was founded in 1995. Hornbill is privately owned and is the smallest vendor on this Magic Quadrant. Its geographic focus has been primarily in Western Europe, but it has recently re-energized its focus on North America. Hornbill has had a solid IT service desk product for over a decade, but has traditionally been focused on the needs of midsize organizations, and, therefore, was not included in past IT Magic Quadrants, which focus on the requirements of enterprises. Hornbill has invested to add features and functionality around incident management and change management that enterprises require, and has begun to compete well in low-end enterprises. From its beginning, Hornbill has addressed the IT help desk market with a mature offering and strong customer focus, but in 2001, it introduced a business help desk product, based on the core technology. Hornbill's biggest challenge is to be competing in an increasingly crowded IT service market against vendors with much larger sales, marketing and product development resources. For this Magic Quadrant, we reviewed Supportworks ITSM v.2.5; Supportworks ITSM v.3.0 became available in July 2010. Hornbill only offers an on-premises, not SaaS, license model.

Strengths

- Strong midtier and low-end enterprise offering.
- Strong customer focus.
- Ease of implementation, requiring nominal professional services.

Cautions

- The process designer does not offer intuitive usability.
- Hornbill is a profitable, privately owned business, but has limited capital resources to support growth and remain competitive, compared with the other enterprise vendors.
- Lacks experience with large, global enterprise implementations.

HP

HP, headquartered in Palo Alto, California, has the second-largest IT service desk market share, at 20.0%, which is a slight decrease from 2008. HP has a wide breadth of IT service operation tools, including the HP Service Manager service desk tool, and the company benefits from a strong presence in many large enterprises, plus a large and global sales, marketing and service organization. HP's biggest challenges will be to refocus on its core service desk offering and execute on its sales, marketing and product development resources to its SaaS product. For this Magic Quadrant, we reviewed HP Service Manager v.7.11. HP Service Manager v.9.20 was released in June 2010.

Strengths

- Large and global service organization.
- Provides industry-leading, enterprise-scale, multichange, high-risk and collision analysis.
- Large installed base with proven large enterprise implementations.

Cautions

- Poor marketing and sales focus and execution on core IT service desk product.
- Some customers report complex and lengthy implementations.
- Some customers state that technical support needs improvement.

IBM

IBM, headquartered in Armonk, New York, currently has a 4.8% market share and continues to expand its market presence by showing up on more Gartner client vendor-selection shortlists. IBM has largely closed the gap in functionality, sales, marketing and product road map with its IT service desk product, Tivoli Service Request Manager (TSRM), compared with the other three "Big 4" vendors — BMC, CA and HP. IBM benefits from a solid relationship with CIOs, in addition to having a large and global sales, marketing and services organization. IBM's biggest challenges will be to continue to focus on sales and marketing execution, and to catch-up to the competition with a compelling SaaS offering. For this Magic Quadrant, we reviewed TSRM 7.2. IBM has an on-premises licensing model offering, with a SaaS offering scheduled for late 2010. A new version, TSRM 7.2.1, was released in August 2010.

Strengths

- Strong brand name recognition and strong relationship with CIOs.
- Large and global service organization.
- Ability to partner successfully with customers to deliver solutions.

Cautions

- Needs functional improvements to better manage forward schedule of changes, approvals and task assignments.
- Some customers report product performance issues.
- Some customers report that out-of-the-box reporting is too basic.

LANDesk Software

LANDesk Software was acquired by Thoma Bravo, a private equity company, in August of 2010, ending a period of transition. Prior to that, it had been owned by Emerson, which acquired its parent firm, Avocent, in early 2010. LANDesk Service Desk has solid functionality and is easily configurable, and the strong integration with LANDesk PC configuration management is a strong selling point for customers that own both tools. LANDesk's biggest challenge is to put the transition from Avocent to Emerson to Thoma Bravo behind it and focus on the core functionality of its IT service desk offering. Additionally, LANDesk is trailing the competition in offering a SaaS licensing model. For this Magic Quadrant, we reviewed LANDesk Service Desk v.7.3.1. Version 7.4 was in early beta testing as of 3Q10.

Strengths

- LANDesk Service Desk has strong integration with the LANDesk PC configuration management toolset.
- Loyal installed base gives the company strength in the market.
- Recent acquisition by Thoma Bravo should refocus the company on its core strengths.

Cautions

- The workflow designer is challenging to navigate.
- Delivers change basics, but lacks customer base adoption.
- Some customers report challenges integrating LANDesk Service Desk with other technologies.

Numara Software

Numara Software is located in Tampa, Florida, is owned by TA Associates, a private equity firm. This Magic Quadrant reviews Numara Software's enterprise IT service desk tool, Numara FootPrints, and not the company's SMB tool, Numara Track-It!. The strength of Numara FootPrints continues to be its ease of configuration and implementation, which often requires little professional services to get up and running in production. Numara Software's biggest challenge will be continuing sales, marketing and product development, especially around change management life cycles, execution that is required to compete in the large enterprise market. For this Magic Quadrant, we reviewed Numara FootPrints v.9.5. The next release is scheduled for late 2010. Numara FootPrints is sold in on-premises and SaaS models.

Strengths

- Good job of marketing to vertical markets, especially healthcare and higher education.
- Ease of implementation, requiring little professional services.
- Proven IT service desk offering, especially with low-end enterprises.

Cautions

- Offers change management; however, has limited enterprise-scale multichange risk and collision analysis.
- Lacks experience with large, global enterprise implementations.
- Needs to expand its sales and marketing execution to large enterprises.

Service-now.com

Service-now.com is a privately held company headquartered in Solana Beach, California. Service-now.com is the fastest growing vendor, in terms of Gartner client interest, on this Magic Quadrant, thanks in part to its solid functionality and ease of implementation, but more importantly, from its leadership in the SaaS model. The growing acceptance and comparable advantages of SaaS for ITOM tools has helped Service-now.com become the company Gartner sees the most on client's vendor selection shortlists. The biggest challenge for Service-now.com will be to be able to continue to grow in this very competitive market now that many of the leading IT service desk vendors also have a SaaS offering. For this Magic Quadrant, we reviewed the Service-now.com Winter 2010 release. Since then, Service-now.com has issued its Spring 2010 and Fall 2010 releases.

Strengths

- Well-executed marketing tactics provide vendor with industry-recognizable brand.
- Financially compelling SaaS model offering.
- Ease of implementation.

Cautions

- Does not provide enterprise-scale, high-volume change risk and collision capabilities.
- Does not offer a perpetual license model or concurrent user licenses.

- Some customers report limited professional service offerings to help enterprises with extensive process improvement initiatives.

VMware

VMware is headquartered in Palo Alto, CA. VMware Service Manager was acquired from EMC in March 2010, which EMC acquired with its acquisition of Infra Software in March 2008. Since the acquisition of Infra Software by EMC, and now by VMware, there has been a loss of focus on core IT service desk functionality, and the product road map is unclear. VMware's challenge will be to articulate a compelling road map, and ramp up sales and marketing to compete in the large-enterprise market against the other Magic Quadrant vendors. For this Magic Quadrant, we reviewed VMware Service Manager v.9, with v.9.1 scheduled for release in 2011. VMware primarily offers an on-premises license model, with a SaaS option only available through partners.

Strengths

- Large base of EMC and VMware customers to cross-sell to.
- Strong focus on existing installed base.
- Sufficient financial resources to promote sales, marketing and product development.

Cautions

- VMware has been slow to articulate a strategy regarding gaining new customers and developing a road map that focuses on core IT service desk functionality.
- Some customers report that technical services need improvement.
- Over three years between the release of v.8 and v.9.

RECOMMENDED READING

Some documents may not be available as part of your current Gartner subscription.

"The 2010 IT Service Desk Market Landscape"

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

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 and skills, 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 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 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 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.

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