Vendor Selection Matrix™ – Artificial Intelligence for IT Operations (AIOps) SaaS And Software: The Top 15 Global Vendors 2019
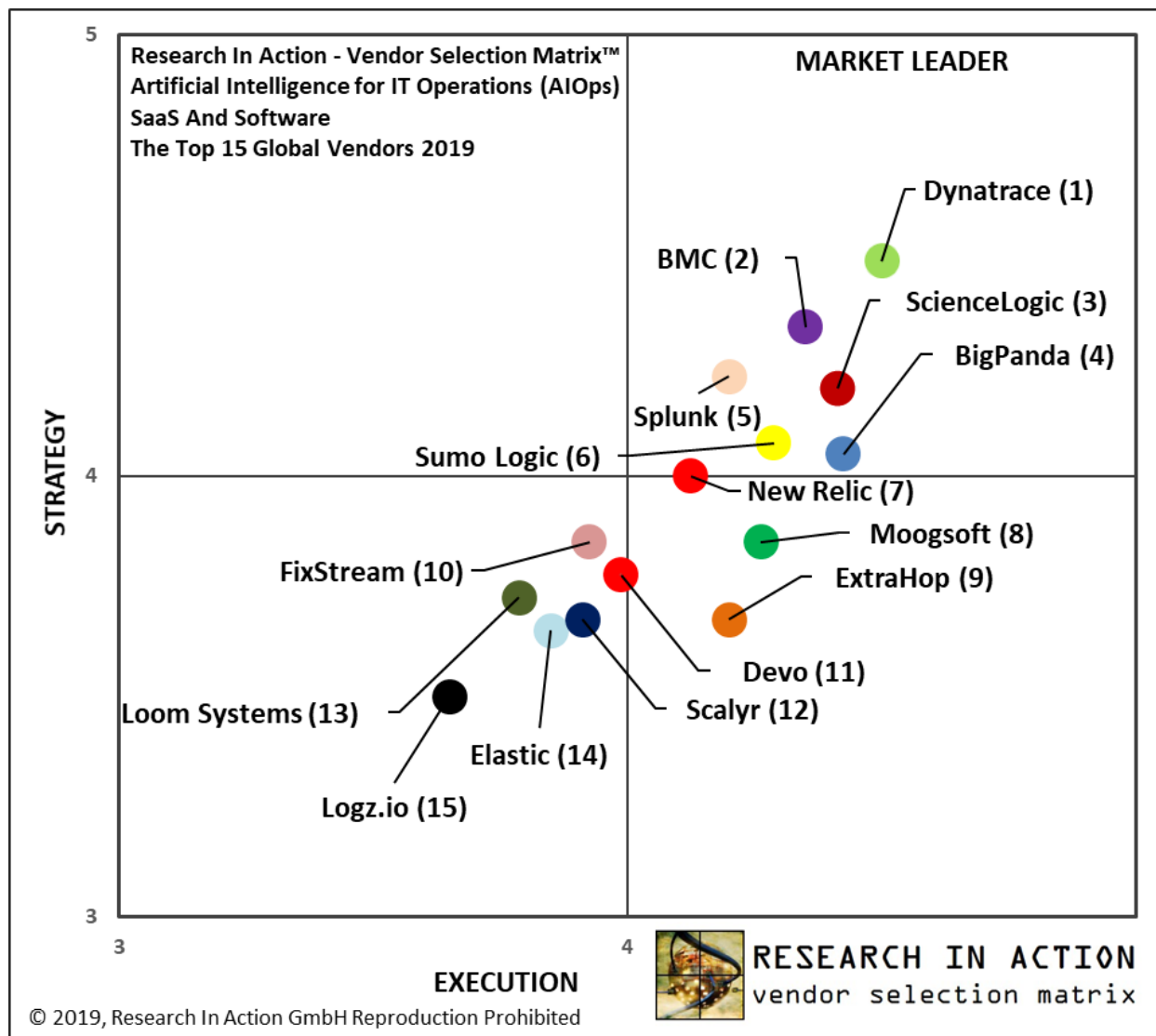
Eveline Oehrlich

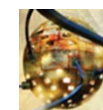Research Director

June 2019

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Vendor Selection Matrix™ – Artificial Intelligence for IT Operations (AIOps): The Top 15 Global Vendors

Research In Action - Vendor Selection Matrix™
Artificial Intelligence for IT Operations (AIOps)
SaaS And Software
The Top 15 Global Vendors 2019

MARKET LEADER

STRATEGY

EXECUTION

		Strategy	Execution	Total
1	Dynatrace	4,49	4,50	8,99
2	BMC	4,34	4,35	8,69
3	ScienceLogic	4,20	4,41	8,61
4	BigPanda	4,05	4,43	8,48
5	Splunk	4,23	4,20	8,43
6	Sumo Logic	4,08	4,29	8,36
7	New Relic	4,00	4,13	8,13
8	Moogsoft	3,85	4,26	8,11
9	ExtraHop	3,68	4,20	7,88
10	FixStream	3,85	3,93	7,78
11	Devo	3,78	3,99	7,76
12	Scalyr	3,68	3,91	7,59
13	Loom Systems	3,73	3,79	7,51
14	Elastic	3,65	3,85	7,50
15	Logz.io	3,50	3,65	7,15

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vendor selection matrix
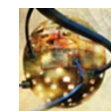
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The Research In Action GmbH – Vendor Selection Matrix™ Methodology

Data Summary:

➢ Unique, primarily survey-based methodology for comparative vendor evaluation.

➢ At a minimum, 60% of the evaluation results are based on enterprise buyers' survey results.

➢ Analyst's opinion accounts for a maximum of 40% of the evaluation results (not close to 100% as in most other vendor evaluations).

➢ More than 45,000 data points were collected.

➢ Data was collected in Q4 of 2018 and Q1 of 2019, covering 1.500 enterprise IT managers (with budget responsibilities) in a combined telephone and online survey.

➢ The Top 15 vendors of Artificial Intelligence for IT Operations (AIOps) SaaS and Software solutions (selected by the survey respondents) were evaluated.

➢ The evaluation results and forecasts are based on customer and vendor feedback, publicly available information, triangulation, as well as the analyst's opinion.

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The Research In Action GmbH – Vendor Selection Matrix™ Methodology

Survey Instrument:

Country breakdown

DACH	200
United Kingdom	150
France	150
Benelux	50
Europe (Rest)	150
North America	500
The Americas (Rest)	50
Australia and New Zealand	30
Asia Pacific (Rest)	220
Total	**1.500**

Company size breakdown (Revenue more than € 250 million)

Headcount below 2.500:	128
Headcount 2.500 to 5.000:	262
Headcount 5.000 to 10.000:	543
Headcount 10.000 to 50.000:	441
Headcount over 50.000:	126
Total	**1.500**

Job title breakdown

VP IT	139
CIO	134
IT Manager	128
IT Operations Manager	124
VP Operations	119
VP Infrastructure	109
IT Service Manager	105
Project Manager	103
Manager DevOps	99
IT Supply Manager	92
VP DevOps	89
Change Manager	61
Test Manager	56
Capacity Manager	53
Manager Testing	42
General Manager	17
CFO	12
Others	18
Total	**1.500**

Industry breakdown

Energy	102
Financial Services	253
Government & Non Profit	98
Healthcare & Chemicals	195
Manufacturing	333
Media & Telecoms	128
Retail	121
Technology & Professional Services	166
Travel & Transportation	104
Total	**1.500**

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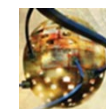independent research and consulting
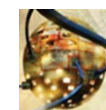
What Tools Do You Use To Create The Vendor Longlist?

**MQ/VSM
Press
Peers
Vendors
Social Media**

**Decision Makers use a mix of traditional and online tools to create vendor shortlists.**

Tool	Percentage
Vendor Comparisons (MQ/Wave/Vendor Selection Matrix)	20,1%
Press (Print and Online)	16,2%
Peer Contacts	15,6%
Vendor Information	11,9%
Social Media	11,6%
Webinars	10,1%
Events and Conferences	5,3%
Vendor Presales	4,2%
Case Studies	3,7%
Others/Don't know	1,3%
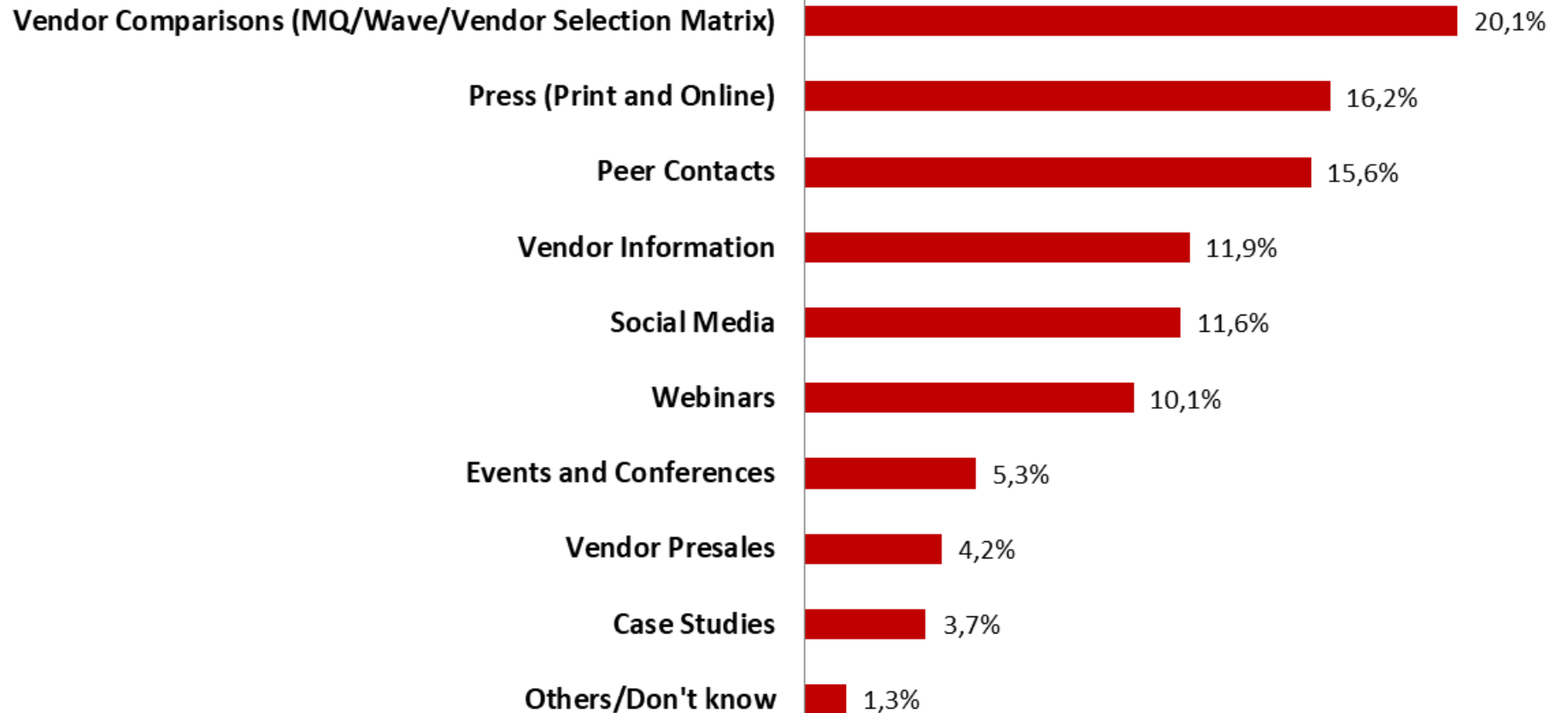
N = 3.000 Business and IT Managers with budget responsibilities

5

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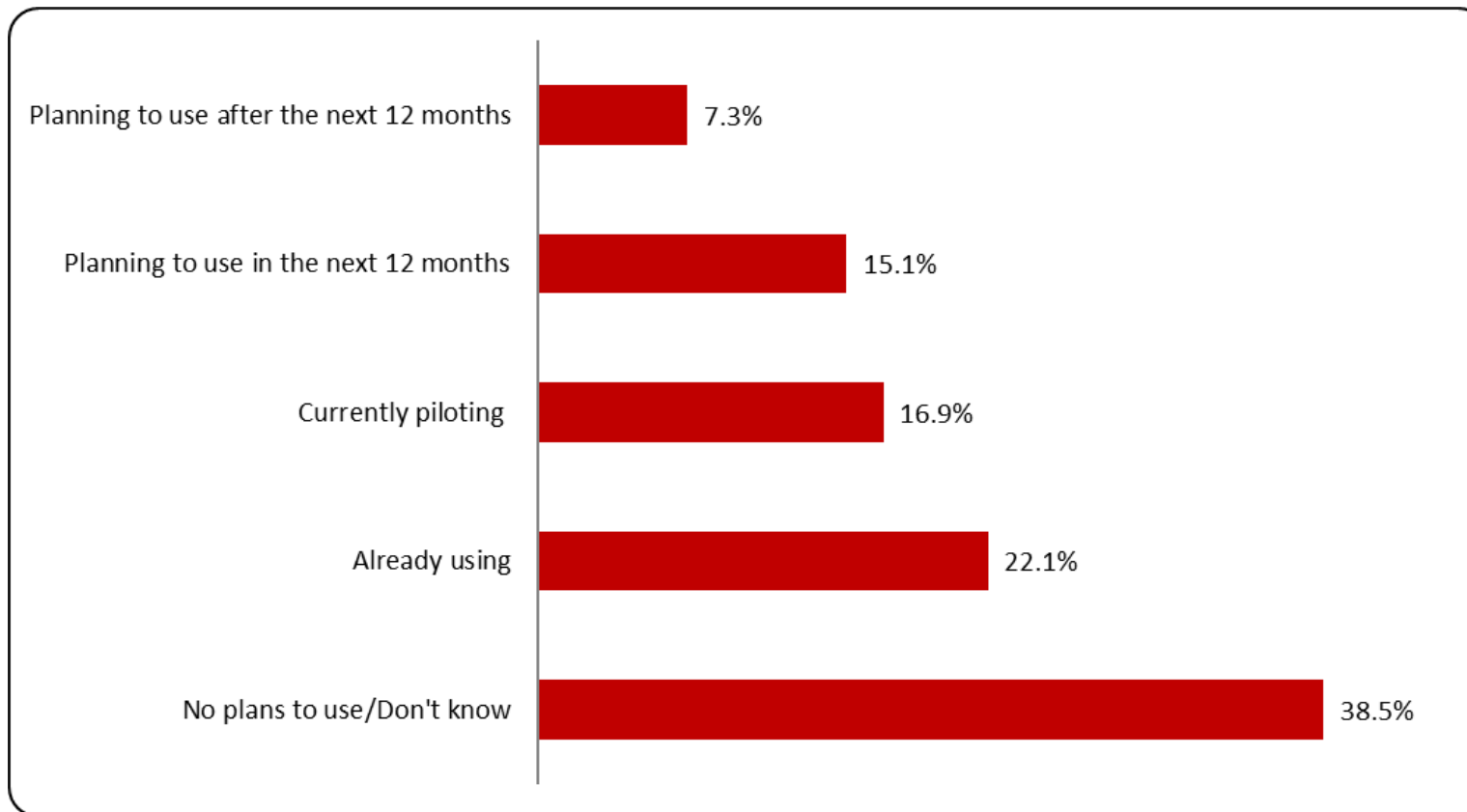independent research and consulting

Market Overview: Artificial Intelligence for IT Operations (AIOps) Market Definition

➢ AIOps solutions equip IT Ops and other teams with improved analysis of volumes and categories of data to improve key processes, tasks and decision making. The adoption of these tools automates the ingestion of fast volumes of data; leverage machine learning to analyze the data, present findings to either predict or alert on issues, and leverage the knowledge for automation or decision making.

➢ The AIOps solutions should have the following functionality:

  ➢ Ability to ingest data from a fast set of sources and of many types

  ➢ Ability to analyze data in real-time and at any point thereafter (historical data)

  ➢ Enable the storing of data for access at any time

  ➢ Enable secure and role based access to data at any time

  ➢ Leverage machine learning to analyze data generated by machines and humans and use it learn from it and provide analysis

  ➢ Leverage the analysis for proactive automation and action

  ➢ Presentation of analysis in context to person or functional team.

➢ Research In Action is evaluating AIOps solutions based on customer needs and requirements and their mentioning of the top 15 vendors and solutions globally during our survey.

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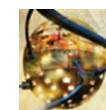
Market Overview: Market Trends 2019

Are you planning to use AIOps as an extension to your current Application Performance Management practice?

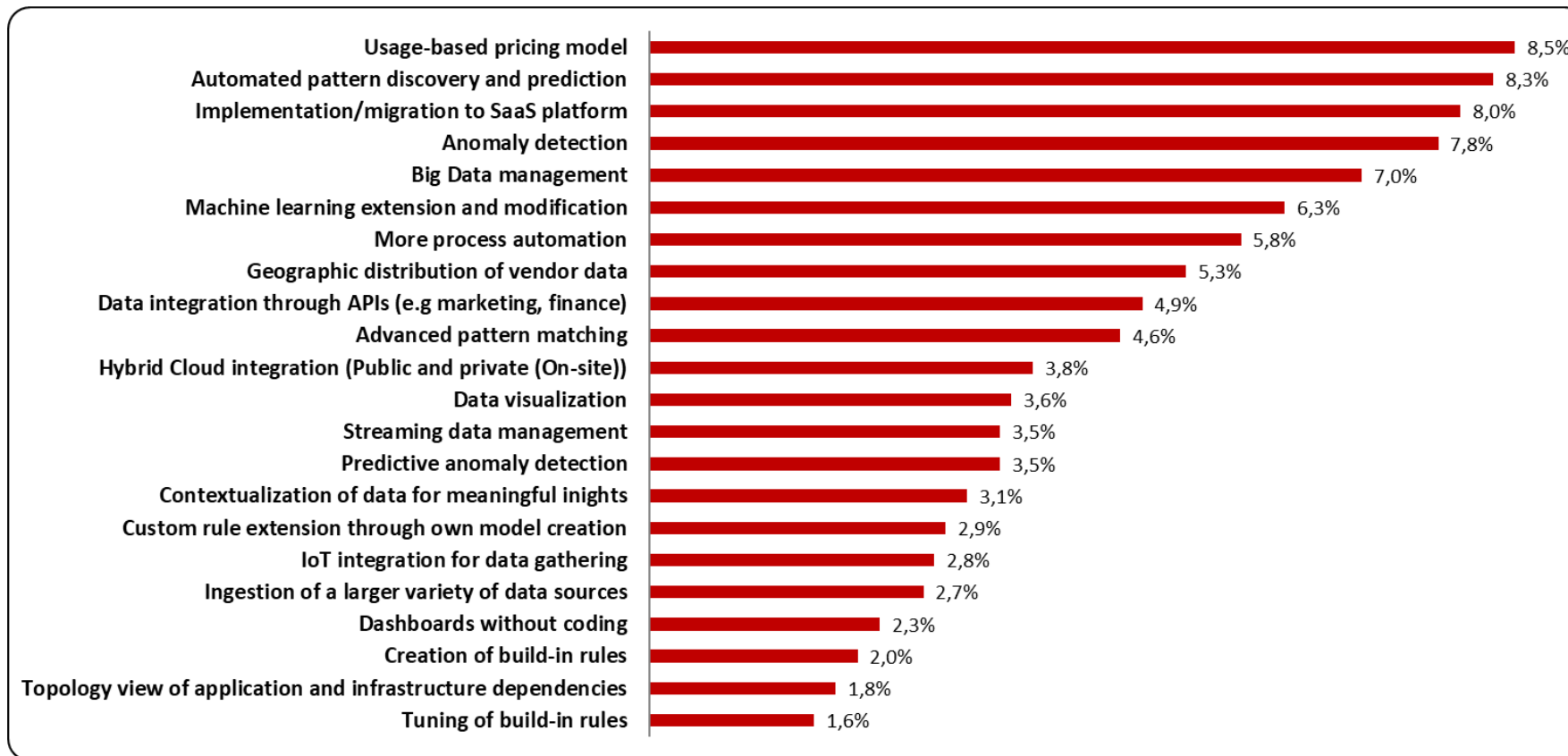| Category	Percentage
Planning to use after the next 12 months	7.3%
Planning to use in the next 12 months	15.1%
Currently piloting	16.9%
Already using	22.1%
No plans to use/Don't know	38.5%

N = 1.500 Enterprise IT Managers with budget responsibilities

1. The AIOps market has gained momentum with 22.3% already using machine learning and data sciences as part of their work.

2. The AIOps market has shifted from a science project to the pilot and experimental stage (16.9% currently piloting).

3. A large segment of IT operations are still doubting operational benefits of AIOps tools stating no plans or don't know about leveraging it (38.5% no plans/don't know).

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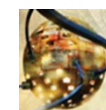
Market Overview: Top Market Trends 2019

What is your number one investment area in the AIOps space for 2019?

Investment Area	Percentage
Usage-based pricing model	8,5%
Automated pattern discovery and prediction	8,3%
Implementation/migration to SaaS platform	8,0%
Anomaly detection	7,8%
Big Data management	7,0%
Machine learning extension and modification	6,3%
More process automation	5,8%
Geographic distribution of vendor data	5,3%
Data integration through APIs (e.g marketing, finance)	4,9%
Advanced pattern matching	4,6%
Hybrid Cloud integration (Public and private (On-site))	3,8%
Data visualization	3,6%
Streaming data management	3,5%
Predictive anomaly detection	3,5%
Contextualization of data for meaningful inights	3,1%
Custom rule extension through own model creation	2,9%
IoT integration for data gathering	2,8%
Ingestion of a larger variety of data sources	2,7%
Dashboards without coding	2,3%
Creation of build-in rules	2,0%
Topology view of application and infrastructure dependencies	1,8%
Tuning of build-in rules	1,6%

1. Usage based pricing
2. Automated pattern discovery and prediction
3. Anomaly detection
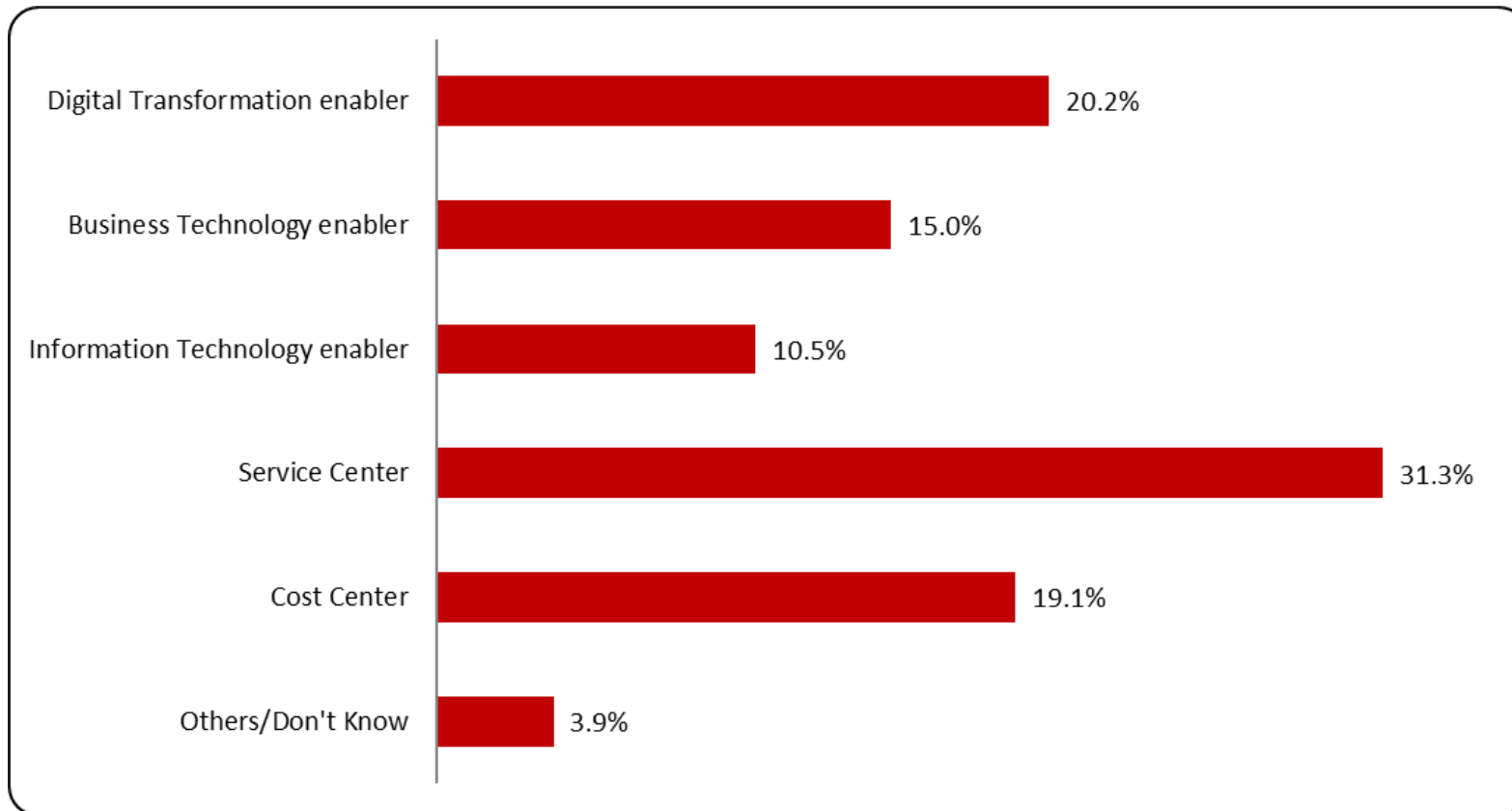4. Big Data management
5. ML extensions and modifications

N = 927 Enterprise IT Managers with budget responsibilities

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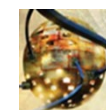
Market Overview: Today's Requirements For Artificial Intelligence for IT Operations (AIOps)

Which descriptions fits to your Technology Operations team best today?

Digital Transformation enabler — 20.2%
Business Technology enabler — 15.0%
Information Technology enabler — 10.5%
Service Center — 31.3%
Cost Center — 19.1%
Others/Don't Know — 3.9%

N = 1.500 IT Managers in Enterprises

1. The primary IT operations archetype today is that of a **Service Center** (31.3%).

2. The drive towards a digital business has motivated IT operations to describe themselves as **Digital Transformation enablers** (20.2%).

Bottom Line:

Still too many IT operations teams are self-identifying themselves as **Costs Centers.**

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Market Overview: Market Trends 2019

➢ **Digital transformations are forcing a new IT operations archetype.** Digital transformation must focus on customer experiences, service ecosystems, and resource integration as part of value cocreation. To support these transformations, IT operations must help their organizations meet evolving market demands of digital transformations through implementations of new technologies, development of new applications and migrations to the Cloud. To cocreate value with different actors in the service ecosystem, IT operations teams are shifting towards a service center archetype delivering digital infrastructure and services.

➢ **Service Center archetype requires a new way of working.** The delivery of digital infrastructure and services causes a myriad of complex environments all producing huge volumes of data and a exponential growth in event noise. To sustain as a successful service center, IT operations must ensure ongoing service availability and completely eliminate IT outages.

➢ **IT operations must shift away from mean-time-to-resolution (MTTR).** Digital business thrives on positive customer experience which is dependent on the health of the digital infrastructure and ecosystem. Today's IT operations traditional metrics of mean-time-to-resolution reflect old methods of restoring but ignore the impact on customers which is most important to the service ecosystem and its partners. IT operations teams must strive towards time-to-business-impact (TTBI) to reflect the digital economy thinking towards customer impact.
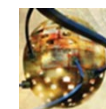
Market Overview: Market Trends 2019

➢ **Time-to-business-impact needs insights and automation.** Simply renaming a metric is not enough and must be supported with analytics and automation to determine if and when a customer might be impacted. This way of working requires understanding dependencies, reducing root cause analysis, improved data accuracy to reduce the signal from the noise, proactive alerts and much more. Modern IT organizations must leverage time-to-business-impact (TTBI) as a predictive metric towards customer impact to inform stakeholders of potential issues.

➢ **IT operations is at an inflection point towards becoming proactive.** Large volumes of data are draining the traditional CAPM and ITSM/ESM (ITESM) tools and make it impossible for IT operations to become proactive. The demands of the digital business require a modern way of managing incidents and service health in a automated way leveraging artificial intelligence and machine learning to improve decision making and automation. Observational and engagement data must be analyzed to react and remediate in real-time. Combined with automation either during or after analysis will enable continuous ongoing improvement and shift IT operations to working in a proactive and predictive way.

➢ **Big Data platforms are fundamental towards streamlined interactions.** The goal towards eliminating issues which could impact the end customer negatively requires the presentation of relevant data and perspectives to functional groups so that they can work together preventing or solving issues across the ecosystem. This requires Big Data platforms which federate and synchronize data in a smart way with the goal to eliminate impact to the customer. Correlation, pattern matching, and other algorithms are applied to provide insight for further automated actions by either humans or digital agents.

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Market Overview: Market Trends 2019

➤ **Investment trends for 2019.** Spending trends for 2019 are reflecting these changes in the market and in customer requirements. The key investment areas for 2019 are:

1. **Usage based pricing.** A pricing model in which the amount that a customer pays is affected by how much or how many of something a customer uses. In this model, processing one "transaction" in the system equates to some measurable value for the customer. This pricing model is used for enabling technologies such as AIOps; the customers mind-set is shifted from ownership to access; in challenging economic times customers can avoid up-front payments.

2. **Automated pattern discovery and prediction.** Discovering patterns related to sequences of data or events can lead proactive insights, as these patterns may have occurred before an event of significance. Leveraging pattern discovery enables to proactively track patterns and take appropriate action in a timely manner.

3. **Anomaly detection.** Anomaly detection is one application of machine learning; it detects data points in data that does not fit well with the rest of the data. It has a wide range of applications such as fraud detection, surveillance, diagnosis, data cleanup, and predictive maintenance. In AIOps anomaly detection plays a key role in use cases such as monitoring and predictive maintenance.

4. **Big Data management.** This refers to the management of operationalizing and extracting value from data lakes or Big Data which is a collection of very large data sets coming from federated data lakes across the business technology ecosystem (applications, hybrid infrastructures, etc.). These data sets are too large and complex that it is difficult to process using traditional applications/tools and AIOps tools leverage big data stack's operation metrics for recommendations and automatic actions.

5. **Machine learning extensions and modifications**. Interest exists on advancing existing machine learning model towards its performance in scale or in depth. These modifications require modifications of algorithms and the expertise of big data folks and most likely are needed by the more advanced IT Operation teams.
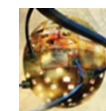
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Vendor Selection Matrix™ – Artificial Intelligence for IT Operations (AIOps) SaaS And Software: Evaluation Criteria
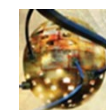
Strategy		
Vision & Go-To-Market	30%	Does the company have a coherent vision in line with the most probable future market scenarios?
		Does the go-to-market and sales strategy fit the target markets and customers?
Innovation & Partner Ecosystem	20%	How innovative is the company?
		How is the partner ecosystem organized and how effective is the partner management?
Company Viability & Execution Capabilities	15%	How likely in the long-term survival of the company?
		Does the company have the necessary resources to execute the strategy?
Differentiation & USP	35%	Does the solution have a Unique Selling Proposition (USP) and clear differentiators?
Execution		
Breadth & Depth Of Solution Offering	30%	Does the solution cover all necessary capabilities expected by the customers?
Market Share & Growth	15%	How big is the market share and is it growing above market rate?
Customer Satisfaction	25%	How satisfied are customers with the solution and the vendor?
Price Versus Value	30%	How do customers rate the relationship between the price and perceived value of the solution?

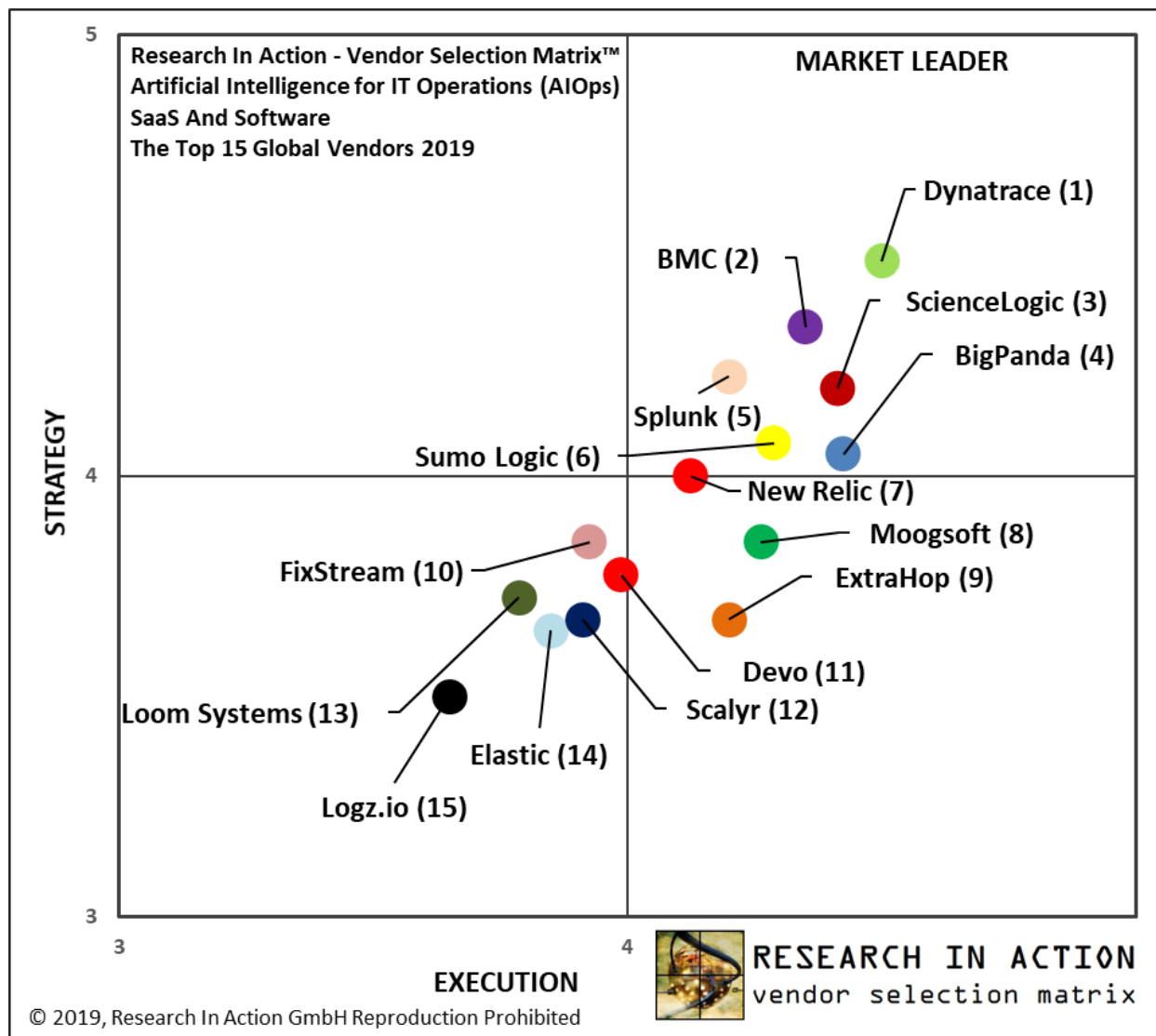RESEARCH IN ACTION
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Vendor Selection Matrix™ – Artificial Intelligence for IT Operations (AIOps): The Top 15 Global Vendors
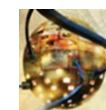
Evaluated Vendors and Solutions:

Alphabetical order:

|	
BMC Software	TrueSight Operations
BigPanda	BigPanda
Devo	Devo Data Operations Platform
Dynatrace	Dynatrace
Elastic	Elastic Stack
ExtraHop	ExtraHop
FixStream	FixStream
Logz.io	Logz.io
Loom Systems	Loom Systems
Moogsoft	Moogsoft AIOps
New Relic	The New Relic Platform
Scalyr	Scalyr
ScienceLogic	SL1
Splunk	Splunk IT Service Intelligence
Sumo Logic	Sumo Logic

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Vendor Selection Matrix™ – Artificial Intelligence for IT Operations (AIOps): The Top 15 Global Vendors

Research In Action - Vendor Selection Matrix™
Artificial Intelligence for IT Operations (AIOps)
SaaS And Software
The Top 15 Global Vendors 2019

MARKET LEADER

Dynatrace (1)
BMC (2)
ScienceLogic (3)
BigPanda (4)
Splunk (5)
Sumo Logic (6)
New Relic (7)
Moogsoft (8)
ExtraHop (9)
FixStream (10)
Devo (11)
Scalyr (12)
Loom Systems (13)
Elastic (14)
Logz.io (15)

STRATEGY

EXECUTION

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10 FixStream	3,85	3,93	7,78
11 Devo	3,78	3,99	7,76
12 Scalyr	3,68	3,91	7,59
13 Loom Systems	3,73	3,79	7,51
14 Elastic	3,65	3,85	7,50
15 Logz.io	3,50	3,65	7,15

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vendor selection matrix

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## ScienceLogic provides high scalability for large IT enterprises

➢ **General:** ScienceLogic has created a solution which initially attracted needs of managed services providers (MSPs) and global systems integrators (GSIs) as they all had in common the necessity for massive data handling and the aggregation of data across a variety of different architectures. Today, the company has more than 400 customers using its SL1 solution including large enterprises. The SL1 product leverages an algorithmic approach to build and search a real-time data lake.

➢ **Strategy:** The company strategy includes the extension of its integrations across the growing data ecosystem. Additional investments will be going towards improvements of its platform which is now in its 4th iteration. The foundational architecture built on microservices and containers will add scale and modularity. A newly released user interface delivers a much needed face lift as well. Its core capabilities continue to center on the bi-directional federating, preparation, and analysis of raw data creating data lakes for smart synchronization so that automation and predictive remediation is possible.

➢ **Execution:** The company has enjoyed double digit year-over-year growth and has brought its solution to more than 25.000 organizations world wide via leveraging global and local MSPs and GSIs using SL1 across their customer installed base. Its core technology partners include Cisco, HCL, VMware and AWS. In fact Cisco uses SL1 extensively throughout its enterprise and is ScienceLogic's largest installed base. ScienceLogic has achieved the highest customer satisfaction score across all vendors. Its team of engineers, sales, presales, etc. and its executives are excellent at customer service.

➢ **Customer Quote:** "For us, ScienceLogic simply excels on multiple levels: Great technology, fast innovation and the best customer service." CIO North-American professional services company.

➢ **Bottom Line:** Due to its high scalability, ScienceLogic is suitable for large enterprises. It also is used frequently by companies which have complex dependencies between application services which they monitor. Its low-code/no code capability makes this solution easy-to-use and provides quick return of investment.

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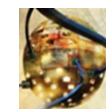
Vendor Selection Matrix™ – Artificial Intelligence for IT Operations (AIOps): ScienceLogic No. 3

Vendor Selection Matrix™	Detailed Results		
	Weighting	**Score**	**Results**
Vision & GTM	30%	4.50	1.35
Innovation Partner & Ecosystem	20%	4.25	0.85
Company Viability & Execution Capabilities	15%	4.00	0.60
Differentiation & USP	35%	4.00	1.40
Strategy	100%		4.20
Breadth & Depth Of Solution Offering	30%	4.50	1.35
Market Share & Growth	15%	4.00	0.60
Customer Satisfaction	25%	4.75	1.19
Price/Value Ratio	30%	4.25	1.28
Execution	100%	Scale Explanation 1 (Low) to 5 (High)	4.41
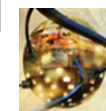
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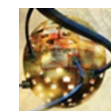
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