Magic Quadrant for Cloud Core Financial Management Suites for Midsize, Large and Global Enterprises

Published 29 June 2020 - ID G00406952 - 48 min read
By Analysts Robert Anderson, John Van Decker, Greg Leiter

Initiatives: Finance Applications

Finance organizations are increasingly shifting to cloud core financial management suites, with continued double-digit growth in the market. Application leaders can use this research to identify vendors of cloud solutions to help them compete in rapidly evolving digital business environments.

This Magic Quadrant is related to other research:
View All Magic Quadrants and Critical Capabilities

Strategic Planning Assumptions

By 2024, 70% of all new midsize core financial management application projects, and 35% of large and global ones, will be public cloud implementations.

By 2024, 80% of new artificial intelligence projects in the finance domain will be deployed using out-of-the-box functionality.

By 2023, 50% of enterprises will have implemented their cloud core financial management vendor’s financial planning and analysis (FP&A) solution over third-party FP&A solutions.

By 2023, 30% of organizations will leverage financial consolidation capabilities, including accounting hubs, within their cloud core financial management suites, reducing deployments of third-party tools.

Market Definition/Description

Since the previous version of this Magic Quadrant, Gartner continues to see an increasing amount of end-user inquiries about cloud solutions in this market, with less than 5% of Gartner clients declaring interest in acquiring or maintaining on-premises or hosted solutions.

Most cloud core financial management solutions on our Magic Quadrant have equal or greater functional capabilities than on-premises counterparts, and offer industry-specific best-practice solutions capable of delivering standardized and predictable business processes.

Additional attractions of the cloud solutions in this market include:
The market for cloud suites will continue to evolve over the next five to 10 years. By 2024, we expect 70% of all new midsize core financial management application projects, and 35% of large and global ones, to be deployed in the public cloud. Many large organizations with extensive on-premises business application architectures for core financial applications have started to actively investigate cloud solutions’ capabilities and determine when they should plan to make the switch. Business disruption caused by the COVID-19 pandemic will accelerate that trend, as finance organizations using inflexible on-premises solutions that prohibit agility and virtual collaboration rush to shore up those weaknesses.

Over the last three years, cloud core financial management vendors have started delivering embedded AI/ML capabilities with the potential to dramatically automate manual tasks and improve the overall user experience while also delivering richer, more actionable insights. By 2024, we expect that 80% of new AI/ML projects in the finance domain to be deployed via out-of-the-box (versus in-house-developed) functionality. We also see many providers extending their footprint to include natively integrated cloud FP&A and financial close (FC) capabilities embedded in their core financial management solution. Because of this, by 2023, we expect 50% of enterprises to choose their cloud core financial management vendor’s FP&A solution rather than utilize a third-party FP&A offering. Additionally, in that same time frame, we predict 30% of enterprises will utilize financial consolidation capabilities, including accounting hubs, from their cloud core financial management provider, rather than rely on third-party tools. In “Prepare Now for the Future of Financial Planning and Analysis and Financial Close,” we argue that a unified single-vendor financial management suite can provide heretofore untapped synergies that will challenge historic best-of-breed purchasing trends. Most of these innovations will be offered as cloud-only capabilities, accelerating the migration from legacy on-premises to integrated cloud solutions. As these unified financial management suites become increasingly noteworthy and take hold in the market, we will subsequently expand the list of capabilities evaluated as part of this Magic Quadrant.
Organizations have found that the move from on-premises to cloud solutions is anything but a mere technical upgrade when dealt with correctly. It represents an opportunity to redefine and transform their finance organization. Clients often ask Gartner about the value received from cloud core financial management deployments, and whether it is achieved sooner than on-premises solutions. We find that as more organizations adopt cloud solutions, they are typically achieving a faster time to value than they did with on-premises solutions. This is because the cloud solutions are typically accompanied by financial modernization and transformation efforts that include the adoption of new technology as well as best-practice process adoption and simplification. Another benefit of cloud core financial management solutions is their utility in a post-COVID-19 business environment, enabling remote workers to continue day-to-day operations using a mobile browser from wherever they are while virtually collaborating with others from within the solution. Despite these attributes, overall total cost of ownership (TCO) may still not be less than on-premises solutions. Cloud solutions frequently require new skills to capitalize on released innovation and third-party support to take advantage of frequent vendor updates (see “Survey Analysis: Cloud Financials May Not Be Cheaper Than On-Premises”).

This Magic Quadrant for cloud core financial management suites provides visibility into an enterprise’s financial position through automation and process support for any activity that has a financial impact. These include the core functional areas of:

- General ledger (GL)
- Accounts payable (AP)
- Accounts receivable (AR)
- Subscription billing and revenue recognition
- Fixed assets (FA)
- Treasury and cash management
- Financial reporting and analytics
- Financial account hub
- Project accounting

We also included existing AI and ML use cases in the Ability to Execute criteria, and associated plans already communicated to the market by the end of 2019 in the Completeness of Vision criteria. In each of the above, specific differentiating capabilities were reviewed. For example, financial reporting and analytics may be differentiated by tight integration with FP&A as well as broader business intelligence (BI)/analytics capabilities.
Please note that more advanced procurement and sourcing functionality is covered in “Magic Quadrant for Procure-to-Pay Suites” and “Magic Quadrant for Strategic Sourcing Application Suites.”

This Magic Quadrant focuses solely on core financial management suites that are marketed and sold on a stand-alone basis and delivered as cloud services. It does not cover vendors whose core financial management applications are always sold as a suite that includes operational ERP capabilities. The partner report to this research, “Critical Capabilities for Cloud Core Financial Management Suites for Midmarket, Large and Global Enterprises,” to assesses vendors’ abilities to address of a number of use cases. Use the Magic Quadrant and Critical Capabilities reports together to help find the best fit for your organization. The use cases will focus on each vendor’s ability to serve companies of various sizes, individual business units.

Please note: The positions on this Magic Quadrant for the vendor offerings are based on an algorithm that considers the vendors as a whole. The Magic Quadrant graphic is redrawn every year. As a result, year-over-year positions do not necessarily correlate due to vendors being dropped that were unable to meet the criteria, as well as increases in market performance standards.

Magic Quadrant

Figure 1. Magic Quadrant for Cloud Core Financial Management Suites for Midsize, Large and Global Enterprises
FinancialForce is based in California, with most of its customers located in North America or Europe. FinancialForce Financial Management is sold direct and is based on the Salesforce platform, appealing to project-oriented organizations seeking a customer-centric, integrated front- and back-office solution. Its future roadmap includes moving further upmarket, more global localizations, adding Einstein-based prescriptive analytics and introducing new procurement management capabilities.

FinancialForce is once again a Niche Player based on being optimized for project-centric organizations that utilize its professional services automation (PSA), with limited market reach.
beyond the Salesforce ecosystem. Its native Salesforce architecture makes this solution attractive to organizations already using Salesforce and its partners, due to the common look and feel, extensibility that includes a wide range of partner applications, and ease of integration.

Strengths

- **Global penetration:** FinancialForce focuses on the needs of the finance function and is well-positioned to take advantage of the transition of finance systems to the cloud. We have seen continued progress in global penetration, with more reference customers citing implementations outside of the U.S. — including in Asia/Pacific and EMEA.

- **Customer satisfaction:** FinancialForce’s reference customer scores showed significant improvement from last year, placing it in the upper half of the vendors in this Magic Quadrant for customer satisfaction. Improvement was noted in scores attributed to evaluation and contract negotiations, service and support, and product value for money spent. Reference customers specifically noted improvements in responsiveness of FinancialForce’s support staff, in addition to the quality of its peer user community.

- **Subscription billing and revenue recognition:** FinancialForce Billing Central (sold separately) is seamlessly integrated with FinancialForce Financial Management and Salesforce CRM, and can create a consolidated invoice from multiple billing sources, across multiple contract types. It also supports both tiered and volume-based pricing. FinancialForce’s unified revenue recognition supports the ASC 606/IFRS 15 standards and complements Billing Central.

Cautions

- **Limited visibility:** FinancialForce’s focus on Salesforce clients means there is limited awareness of this vendor and solution beyond the Salesforce community and ecosystem. The trade-off is that prospective customers assume they’ll need to purchase the Salesforce CRM platform, while it isn’t a real requirement.

- **Global ecosystem:** While FinancialForce is improving its reseller support in EMEA and Australia/New Zealand (ANZ), reference customers mentioned that its consultancy arm would greatly benefit by having a more active and engaged partner network in those locations. Those evaluating the solution in regions outside the U.S. should ensure local resources and ecosystem partners are available to service all of their requirements.

- **Product capabilities and IT support:** FinancialForce’s overall product scores from its reference customers placed it in the middle of vendors evaluated in this Magic Quadrant. Its scores for accounts payable and fixed asset accounting were comparatively low. Reference customers applauded FinancialForce’s configuration capabilities, but wished they were easier to use. FinancialForce also scored in the bottom quartile of vendors for the percentage of clients requiring IT application support following deployment.
Microsoft

Based in Washington, Microsoft offers Dynamics 365 Finance, available on a stand-alone basis, as well as part of a larger ERP suite. It is sold direct and through partners, and Microsoft has invested in additional sales resources in the past year. Aimed at midsize and large enterprises with suitability for some global enterprises, Dynamics 365 Finance is appropriate for a wide range of industries, including retail, manufacturing, services, the public sector and distribution. Its future roadmap focuses on adding intelligent cashflow forecasting, AP automation, additional country extensions and additional industry-specific functionality.

As a Visionary, Microsoft has moved up significantly from its position in this quadrant last year based on improvement in Ability to Execute, including broad financial functionality, rapid adoption and wide geographic coverage. Consider this solution when a globally supported midmarket and large solutions are required that encompass a broad set of industries and a large spectrum of ecosystem partners.

Strengths

- **Functional breadth:** With Dynamics 365 Finance, Microsoft offers a broad core financial management solution for midmarket and large organizations. Its functionality runs deep, and the product performed well in the demonstrations for this Magic Quadrant. It is well-integrated with Microsoft Dynamics 365 customer engagement applications, Office 365 and the Power Platform.

- **Flexibility and extensibility:** Many surveyed reference customers cited the product's strong flexibility and extensibility features. The solution also makes innovative use of technology for analytics, with embedded Power BI and real-time, in-memory multidimensional analysis capabilities bolstered by native integration with Cortana Intelligence and Azure Machine Learning.

- **Customer satisfaction:** Microsoft’s reference scores for overall customer experience positioned it among the upper half of vendors in this Magic Quadrant. Reference customers cited above-average vendor responsiveness and service and support, emphasizing access to Microsoft’s FastTrack team and Dynamics 365 developers as making a big difference in the success of their deployments. Likewise, they cited a large, active user community and thriving partner ecosystem (Microsoft AppSource) where they can find many third-party integration tools and other applications to boost the effectiveness of their deployments.

Cautions

- **Training:** Reference customers scored Microsoft in the lower half of vendors for quality and availability of end-user training.

- **Product capability:** Reference customer scores placed Microsoft in the lower half of vendors in this Magic Quadrant for overall product capabilities. In particular, complex GL support and
project accounting/costing/and billing capabilities were lower than average for vendors in this Magic Quadrant. Notable gaps when comparing Microsoft with other vendors include native FP&A integration, subscription billing and account hub capability. Reference customers also cited the need for greater flexibility in management reporting, improved integration when using standard APIs, and better support for local tax requirements in fixed assets accounting.

- **Deployment time and IT support**: Average deployment time for Dynamics 365 Finance was the longest overall of any vendor solution in this Magic Quadrant. Lengthy deployment times may be due to reference survey respondents being large customers requiring complex deployments. Microsoft data states that 40% of its typical customers have deployed within 6 months. Microsoft also scored below average compared with other vendors based on the number of reference customers that experienced an increased cost for partner support and maintenance following their deployments.

 Oracle (NetSuite)

Based in California, Oracle NetSuite offers NetSuite Financial Management on a stand-alone basis, as well as part of a larger ERP suite. The solution is applicable to a wide range of industries, including business services, manufacturing, high tech, retail and wholesale. The vendor offers a broad ecosystem of partners capable of supporting the solution. Its future roadmap focuses on financial management automation, leveraging its platform to strengthen the relationship between finance and human capital management (HCM), investing in customer experience, and opening up new data centers in the Asia/Pacific region.

Oracle NetSuite is a Leader and continues to maintain its position relative to both its Ability to Execute and Completeness of Vision since last year’s Magic Quadrant with a continuously executed roadmap and broad industry support. Consider NetSuite when seeking a mature midmarket cloud financial management solution capable of supporting substantial global multinational and multisubsidiary operations.

**Strengths**

- **Scalability and global reach**: NetSuite is proven and established in targeting the lower midmarket (annual revenue of more than $50 million and less than $500 million), although Gartner has spoken to clients that have successfully deployed it in companies with revenue higher than that. Multiple reference customers surveyed remarked on the solution’s ability to scale with their organizations’ evolving requirements. More than 60% of NetSuite customers operate in more than one country and are able to adjust for currency, language, taxation and legal compliance differences at the local level, and take advantage of global business consolidation.

- **Customer satisfaction**: NetSuite’s reference customers continue to score it in the top quartile for overall client satisfaction. It received high scores in evaluation/contract negotiation, deployment and integration, and service and support. Its reference customers also praised its value for
money spent, ability to understand the client’s needs and timeliness of vendor response. Reference customers cited the value of NetSuite’s SuiteSuccess methodology, which keeps deployments on track by focusing on delivering industry-specific best practices that minimize risks and accelerate ROI.

- **Product capability:** NetSuite is viewed by Gartner and its reference customers as having strong and comprehensive global financial management functionality. It scored in the top quartile for financial management product functionality in this Magic Quadrant. Reference customers also liked the flexibility of the solution and its ability to be easily customized/configured to meet their needs.

**Cautions**

- **ERP suite focus:** NetSuite’s focus on its broader ERP suite means it can be overlooked by customers interested principally in financial applications. Although NetSuite does sell its financial capabilities separately, some prospective customers have been concerned that they will need to acquire the complete suite. While Gartner estimates that one-third of its customers are successfully running only stand-alone core financials without taking advantage of the broader suite, prospects should understand that most customers do leverage NetSuite’s broader set of capabilities to extend their ROI.

- **User interface:** Management and ad hoc reporting were cited multiple times by surveyed reference customers as requiring improvement, particularly with respect to simplifying financial reporting templates. Reference customers also cited the need for a refresh of NetSuite’s user interface (UI), with too much “button pushing” making it challenging in some cases to “sell” the solution to newly onboarded employees. To address these concerns, NetSuite plans to upgrade its UI, as part of a project currently in progress.

- **IT support:** Reference customers scored NetSuite below average for having experienced an increase in maintenance and support costs following their deployments. Almost half stated that they saw an increase in these costs following deployment.

**Oracle (Oracle ERP Cloud)**

Based in California, Oracle offers Oracle ERP Cloud, a suite of financial management capabilities suitable for upper-midsize, large and global enterprises, with nearly half its customers being large and global enterprises. Oracle ERP Cloud is suitable across a range of industries and has customers in all major regions. Its future roadmap focuses on increasing use of AI/ML in areas such as intelligent document recognition, continuous close and forecasting, and intelligent digital assistance.

For Oracle ERP Cloud, Oracle is once again a Leader due to significant adoption across all sizes and types of businesses and a steady flow of new features that bolster its rich functional
capabilities. Consider Oracle ERP Cloud when seeking a mature, comprehensive, globally supported, enterprise-caliber solution capable of addressing the most complex workstreams.

Strengths

- **Mature enterprise solution**: Oracle offers a mature cloud financial management solution paired with a visionary innovation roadmap. Oracle ERP Cloud is well-known to financial professionals and has messaging for finance customers that does not get lost in a broader suite proposition. Oracle ERP Cloud offers strong global language, currency and regulatory support, and has a large portfolio of customers across a wide range of industries.

- **Scalability and extensibility**: Surveyed reference customers cited the solution's scalability and comprehensive functionality, intuitive UI, and strong embedded analytics and reporting capabilities. Respondents cited Oracle ERP Cloud's integration with Oracle's human capital management, project portfolio management and enterprise performance management cloud solutions as a significant plus.

- **Product capability and vision**: Reference customers scored Oracle's product capabilities higher in this Magic Quadrant than last year. Multiple reference customers cited a strong flow of new features and functions with each release, innovation related to AI/ML, and a customer-centric roadmap underpinned by the new Oracle Cloud Customer Connect user portal. The portal enables ideas and suggestions to be directly submitted to Oracle's development team.

Cautions

- **Contract**: Oracle scored in the bottom quartile of the reference customer survey for pricing and contract flexibility. While the majority of surveyed reference customers felt the product met their needs, fewer believed they received full value given the amount they spent on the solution. Oracle is streamlining its contract process and advocates value realization programs to help customers achieve improved business outcomes from their investment.

- **Service and support timeliness**: Reference customers scored Oracle in the bottom quartile for service and support, including timely and complete responses to customer questions. Many cited challenges with getting support requests addressed in a timely manner. Oracle has stated that it continues to enhance its platinum (complimentary for all SaaS customers), advanced and business advisory services to ensure improved support and value through go-live.

- **Ease of deployment and maintenance**: Reference customers stated that both Oracle and third parties underestimate the effort (resources and time) required to implement and maintain a well-configured product. They scored Oracle ERP Cloud in the bottom quartile for ease of deployment, although much of this can be attributed to the increasingly complex nature of deployments at global multinational organizations. Similarly, nearly half of those surveyed stated that their maintenance and support costs were higher after deployment.
Sage Intacct

Based in California, Sage Intacct sells directly and also through reseller partners. It targets small and lower-midsize enterprises, but can scale to support some larger enterprises. Its future roadmap includes further internationalization, integration between financial management and HCM (Sage People), and continued strengthening of its microvertical industry focus.

Sage Intacct improved slightly in its execution and vision since last year’s Magic Quadrant, consistent with rising competitive standards for this market. Its limited presence beyond North America and the U.K. constrains broader execution. Consider this vendor when seeking a lower-midmarket, best-of-breed solution that can act as a hub for other third-party applications, or where a strong presence in North America and the U.K. is required.

Strengths

- **Lower midmarket scalability:** Sage Intacct offers a scalable core financial system with good flexibility and functionality in terms of GL and analytics. It is well-aligned with Gartner’s vision of postmodern ERP, with a wide range of APIs and a focus on financial management applications that can work in a loosely coupled manner with other cloud services. It is well-targeted at smaller midsize organizations, but has the capacity to scale upward when accounting processes are not overly complex.

- **Customer satisfaction:** Sage Intacct excelled in its reference customer scores for overall satisfaction, placing it in the top quartile. It also scored in the upper half of vendors for its product meeting customer needs and delivering value for money spent. Sage Intacct’s client satisfaction is underpinned by its ability to be deployed and utilized quickly. It placed in the top quartile of vendors for fast deployment time, as well as for quality and availability of user training.

- **Product capability:** Sage Intacct scored above average with respect to overall product capabilities, meaning that it provides appropriately targeted functionality to the user base it is marketed to. Its subscription billing scored highly among reference customers, with capabilities that support linear and nonlinear schedules, usage-based billing, volume discounts, and tiered billing capabilities. Reference customer scores also placed Sage Intacct in the upper quartile for its treasury and cash management capabilities.

Cautions

- **Limited market targeting:** Sage Intacct’s current focus on small and lower-midsize enterprises limits its opportunities in this market — although it might continue to scale up to address the needs of larger enterprises.

- **Service and support:** Sage Intacct’s reference customer scores were in the lower half of evaluated vendors in this Magic Quadrant in quality of service and support, and timely response to requests. Sage Intacct had the highest percentage of reference customers where finance
SAP

Based in Germany, SAP offers SAP S/4HANA Cloud as its cloud financial management solution, available in multitenant and single-tenant editions: Essential (MTE) and Extended (STE). It is sold to both large organizations and the midmarket. SAP draws on a network of large, global strategic partners for its implementations and has a strong global presence. Its future roadmap includes intelligent intercompany reconciliation, optimized hedge management, and intelligent contract accounting and cash management.

SAP is once again a Visionary, but has improved in both execution and vision since last year’s Magic Quadrant based on increased penetration and a steady flow of innovation strengthening its solution. Consider SAP S/4HANA Cloud when seeking a globally supported single- or multitenant enterprise cloud financial management solution capable of addressing the most complex workstreams, evaluating the edition best aligned to your industry requirements.

Strengths

- **Product vision:** SAP is rapidly building its capabilities in the cloud core financial management space, scoring high with its reference customers for product vision. S/4HANA Cloud offers strong native treasury and cash management capabilities and prebuilt, out-of-the-box SAP Analytics Cloud (SAC) planning content for core financials. SAP Central Finance, capable of acting as an account hub (available only on Extended), scored notably well among reference customers. SAP S/4HANA Cloud robust vision is evidenced with RPA, natural language interaction and AI/ML already embedded within a variety of use cases.

- **Usability:** SAP achieved high scores for usability among reference customers surveyed. Reference customers particularly noted the attractiveness of S/4HANA Cloud’s tiled UI and the ease of building extensions and custom views.

- **Financial reporting and analytics:** SAP S/4HANA Cloud uses its proprietary in-memory database (SAP HANA) to improve analytics, with a focus on real-time decision making, unlimited drill-down to transaction-level data, and providing a single database to manage close processes. Subledger accounting and analytics are also improved by the universal journal entry.

(rather than the IT department) had taken responsibility for application maintenance, justifiably leading to high expectations for vendor responsiveness.
Cautions

- **Product capability:** Reference customers gave SAP S/4HANA Cloud lower-than-average scores for product capabilities, placing it below the mean for this Magic Quadrant. Some references cited a lack of functional depth in supported industries associated with the Essentials edition (MTE), and gaps in functionality between on-premises and cloud versions of SAP S/4HANA. They commended SAP's high speed of innovation, but noted that some functionalities remain in development, requiring nearly continuous testing of new releases. SAP has stated that it is continuously adding capabilities to S/4HANA Cloud, particularly in the areas of robotic process automation, machine learning and natural language processing, to improve the overall performance and usability of the solution.

- **Overall experience versus money spent:** Reference customer scores placed SAP in the lower half of vendors for overall experience, ability to understand customer needs and value for money spent. Some reference customers also expressed concerns about the amount of time and effort that was required to absorb quarterly updates.

- **Integration and deployment challenges:** Reference customers scored SAP in the lower half of vendors in this Magic Quadrant for integration and deployment, citing the need for more integration points and APIs being made available. SAP has stated the latest versions of SAP S/4HANA Cloud includes many enhanced integration capabilities and APIs, which are published on its API Hub. Additionally, SAP SuccessFactors and SAP Ariba are now integrated with SAP S/4HANA Cloud and offer embedded support for SAP Analytics Cloud and Qualtrics.

**Workday**

Workday, based in California, offers Workday Financial Management and other solutions on a common platform. While most of its Financial Management customers are midsize and based in North America, Workday is rapidly expanding internationally to support large and global enterprises. Workday focuses on service-centric sectors, including healthcare, financial services, insurance, professional services, retail, higher education and government. Its future roadmap, based on a cohesive vision for the office of the CFO, leverages machine learning, particularly for labor-intensive processes such as journal anomaly detection and predictive customer payment matching. It also includes discovery boards that enable users to perform ad hoc analysis with data discovery.

Workday maintains its position as a Leader in this Magic Quadrant, improving in vision and execution consistent with rising competitive market standards. Those using legacy, service-centric financial management applications should consider Workday when seeking a mature, comprehensive enterprise solution capable of addressing complex workstreams.

**Strengths**

- **Customer satisfaction:** Reference customers gave Workday high scores for customer satisfaction and service and support, providing top quartile scores for its ability to understand
their organization's needs, quality of technical support and vendor responsiveness. A significant majority of reference customers also indicated that their support and maintenance costs decreased after deploying the solution.

- **Product capability:** Workday Financial Management placed in the highest quartile for product capabilities in addition to value delivered for money spent. Workday’s introduction of Accounting Center and its ongoing efforts toward full integration with Workday Adaptive Planning in 2020 strengthen the offering and provide a compelling value proposition for users.

- **Deployment services:** Workday’s reference customer scores for availability of third-party consulting resources, ease of deployment and ease of integration placed it in the top quartile of vendors evaluated. Additionally, reference customers cited strong improvement in Workday professional services related to their financial management deployments.

**Cautions**

- **Global penetration:** While Workday operates in 80 countries, the vast majority of Workday customers are headquartered in North America. While customer expansion in the EMEA and Asia/Pacific regions remains steady, other competitors have more global customers. Prospective customers should observe Workday’s roadmap to ensure there is sufficient presence in their specific countries and regions to meet their requirements.

**Platform capabilities:** While Workday scored high for functionality overall, some reference customers called out concerns that native reporting lags behind specialized analytics/BI tools unless additional subscriptions to Workday Prism Analytics (Workday’s analytics platform) were purchased. While Workday Extend (formerly Workday Cloud Platform) is available to customers to build their own applications, some customers mentioned Workday’s delay in opening its cloud platform to third-party vendors. This limits the potential for a broad ecosystem in support of Workday Financial Management.

- **Workday Adaptive Planning integration:** Single sign-on and the ability to drill back into Workday Financial Management from Workday Adaptive Planning is available now. However, unified security and the ability for Workday Adaptive Planning notifications to flow seamlessly into Workday Financial Management are planned for delivery in 2020, with seamless metadata between the two solutions on the roadmap for 2021 and beyond.

**Vendors Added and Dropped**

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

**Added**

No vendors have been added.

**Dropped**

- Acumatica was dropped based on new Gartner criteria for customer revenue required to be included in this Magic Quadrant.
- Ramco was dropped based on new Gartner criteria for customer revenue required to be included in this Magic Quadrant.
- Unit4 was dropped based on new Gartner criteria for limited vertical market focus.

**Inclusion and Exclusion Criteria**

To be included in this Magic Quadrant, vendors had to fulfill certain criteria.

**Product Capabilities:**

Each vendor had to deliver a suite of core financial management applications that included the following capabilities:

- General ledger
- Accounts payable, including basic requisition to invoice processing for indirect procurement
- Accounts receivable, including subscription billing and revenue recognition
- Fixed assets
- Treasury and cash management
- Financial reporting and analytics
- Financial account hub
- Project accounting

We also included existing AL/ML use cases to the Ability to Execute criteria as well as associated plans already communicated to the market in the Completeness of Vision criteria.

Included vendors also had to enable deployment of their core financial management suite as a cloud service (see Cloud Service Attributes below). Note: A core financial management suite may
also be deployed in other ways — for example, on-premises or as a managed cloud service — but this Magic Quadrant is restricted to cloud-only solutions. Vendors had to:

- Actively market and sell the cloud core financial management suite to midsize, large and/or global enterprises.
- Actively market, sell and deploy the cloud core financial management suite on a stand-alone basis, regardless of additional bundling with broader ERP suites or other applications with an industry focus (for example, on professional services automation or other industry-specific capabilities).

**Market Presence:**

Each vendor had to:

- Have at least 250 organizations, each with annual revenue, expenditure or funding of more than $50 million, using the cloud service in production environments. (Note: Each user organization had to be managing at least $50 million annually through the core financial management suite. This $50 million minimum is not intended to represent the annual revenue of a parent organization when a smaller subsidiary uses the cloud service. Vendors had to be prepared to provide evidence of sufficient numbers of in-production customers.)
- Be “live” with the GL functionality and at least one additional module specified in the product capabilities listed above.
- Be “live” on the current version of the software before the next version was released.
- Have at least 250 user organizations actively using the cloud service, when offering multiple deployment models, not 250 spread across cloud and on-premises deployments.
- Have at least $100 million of booked subscription and support revenue for the cloud core financial management suite service only — excluding revenue from on-premises, hosted, managed cloud service or other deployment models. That is, from 1 January 2019 through 31 December 2019, or whichever 12-month accounting period most closely aligned with that period. Unrealized recurring revenue was not included. If a vendor chose not to disclose revenue information, Gartner used its own market research, as well as insights from public sources, to judge that vendor’s eligibility for inclusion and viability.

Associated revenue from adjacent modules beyond those specified in the Product Capabilities criterion above were not included.

- Actively sell and market the cloud service (and have live users of the cloud service in the qualifying revenue bands) outside the vendor’s home region in at least one of the following
regions: the Americas, EMEA, Asia/Pacific.

Cloud Service Attributes:

Responsibility:

Each vendor had to:

- Manage all technology infrastructure either in its own data centers or in third-party data centers.
- Implement upgrades itself directly as part of the cloud service, not through a third party or managed service provider.

Licensing and technology:

Each vendor had to:

- License the cloud service on a subscription or metered pay-for-use basis.
- Neither tailor contracts to specific user organizations (except for minor adjustments), nor provide user organizations with a version different from that offered to other cloud customers.
- Have a cloud service that uses internet technologies, the use of internet files, formats and identifiers being necessary for delivery of cloud service interfaces.
- Support the cloud service with computing resources that are scalable and elastic in near real time, rather than based on dedicated hardware and infrastructure.

Customization:

Each vendor had to:

- Prohibit modification of its source code. Configuration via citizen developer tools and extension via platform as a service (PaaS) — by partner, vendor or user — was allowed.

Pace of change:

Each vendor had to:

- Use a single code line for all customers of the cloud service, to enable rapid deployment of new functionality by the vendor.
- Deliver at least two upgrades containing new functionality, per annum, to all users of the cloud service, and control the pace of the upgrade cycle.
We defined these cloud service attributes to enable inclusion of cloud services that confer the benefits of a SaaS solution without specifying a particular technical architecture (such as multitenancy at the application level). To be included, all customers had to be on the current version of the solution before a new one was released.

Where vendors offer multiple cloud core financial management suites with separate code lines, each code line is represented as a separate dot on the Magic Quadrant graphic.

**Honorable Mentions**

The shift to the cloud has disrupted what had been a static market for on-premises core financial management applications. New vendors have emerged, and many established vendors now offer maturing cloud-deployable solutions. The following companies merit consideration as vendors of cloud core financial management solutions, but did not fulfill all the criteria for inclusion in this Magic Quadrant:

- **Acumatica**: Based in Bellevue, Washington, Acumatica sells its solutions through value-added resellers and private-label OEM partners such as Visma, Lexware, Cegid and MYOB. Acumatica was unable to meet the new Gartner criteria for customer revenue required to be included in this Magic Quadrant. It focuses on small and midsize enterprises and has customers in all major regions, with the majority located in North America. Various service-centric sectors together form its largest vertical market. The Acumatica Financial Management suite is sold both on a stand-alone basis and as part of a broader ERP suite that includes distribution and manufacturing capabilities, along with CRM functionality. The solution is designed for midmarket customers and deployed in the Acumatica public cloud, run on Amazon Web Services (AWS) or Microsoft Azure, or in a private cloud of the customer’s choice (either on-premises or at a hosted facility).

- **Infor**: Infor CloudSuite Financials & Supply Management includes an industry-specific set of enterprise applications designed and enhanced to reflect Infor’s key strategies. Infor CloudSuite Financials & Supply Management has been generally available as a suite since 2016. Although there were not enough clients live to meet defined inclusion criteria in this Magic Quadrant, Gartner expects Infor CloudSuite Financials & Supply Management to increase its market presence during 2020. The solution is globally supported and is offered stand-alone in addition to being complemented by the rest of the ERP suite.

- **Ramco Systems**: Ramco Systems (Ramco) is part of the Ramco Group of companies — a large, diversified conglomerate. Based in Chennai, India, Ramco has offices in all major regions. Its cloud core financial management solution is called Ramco Finance & Accounting. Ramco was
unable to meet the new Gartner criteria for customer revenue required to be included in this Magic Quadrant. It has recently been focusing on adding AI and ML, chatbots, and event-driven notifications in its solution. Ramco also provides ERP and HCM suites, along with a maintenance, repair and operations solution for the aviation industry and a logistics ERP for service providers. The majority of Ramco’s ERP customers are based in Asia/Pacific, followed by EMEA (mainly Middle East and Africa) and North America.

- **Unit4**: Unit4 is a global software company founded in the Netherlands. It offers Unit4 ERP (formerly known as Business World) — an integrated suite of ERP solutions, including cloud financial management, running on the Microsoft Azure platform. It is primarily used by people-based or project-centric service organizations. It is marketed directly through sales and implementation partners. Unit4 ERP offers robust financial management functionality across the core financial management disciplines for the industries it serves, with the majority of its reference customers operating in EMEA. Its future roadmap includes real-time payments and bank reconciliations, billing function enhancements, a new application marketplace and improved industry models that integrate FP&A and financial management.

### Evaluation Criteria

#### Ability to Execute

Gartner assesses vendors’ Ability to Execute by evaluating the products, technologies, services and operations that enable them to be competitive, efficient and effective in this market, and that benefit their revenue, client satisfaction and retention, and general reputation.

Each provider’s Ability to Execute is judged by its success in fulfilling its promises, using the following criteria:

- **Product or Service**: This criterion assesses the product offerings that compete in the defined market. These may be offered natively or through OEM agreements and partnerships, as defined in the Market Definition/Description section and detailed in any subcriteria. This Magic Quadrant evaluates functional capabilities in all areas defined in the Market Definition/Description section, support for the needs of midsize, large and global enterprises, and the ease with which the cloud service can integrate with other cloud/on-premises applications.

- **Overall Viability**: This criterion includes an assessment of the vendor’s overall financial health, as well as the financial and practical success of the relevant business unit. It considers the likelihood of the vendor continuing to offer and invest in its product, as well as the product’s position in its portfolio.

- **Sales Execution/Pricing**: This criterion assesses the vendor’s abilities in all presales activities and the structure that supports them. Included here are deal management, pricing and
negotiation, presales support, and the sales channel's overall effectiveness. Each vendor is also evaluated on its ability to sell to finance buying centers such as CFOs and financial controllers.

- **Market Responsiveness/Record**: This criterion assesses the vendor’s ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customers’ needs evolve and market dynamics change. The market for cloud core financial management suites is dynamic, so this criterion addresses the vendor’s ability to respond to users’ needs and demands. This includes its responses to the demands of delivering core financial management applications in the cloud, which pose new challenges for both vendor and user.

- **Marketing Execution**: This criterion assesses the clarity, quality, creativity and efficacy of programs designed to convey the vendor’s message, in order to influence the market, promote a brand, increase awareness of products and establish a positive identification in customers’ minds. This “mind share” can be created by a combination of publicity, promotions, thought leadership, social media use, referrals and sales activities. Each vendor is also assessed on its ability to market its offering to finance buying centers such as CFOs and financial controllers.

- **Customer Experience**: This criterion assesses the vendor’s products, services and programs in terms of how they enable customers to achieve expected results with the products evaluated. Considerations include the quality of technical support for vendor-buyer interactions and account support. Also assessed is the vendor’s ability to make its marketing vision a reality and help finance teams complete the transition from on-premises to cloud deployment.

- **Operations**: This criterion assesses the vendor’s ability to meet its goals and commitments. Factors include the quality of the organizational structure, skills, experiences, programs, systems and other means that enable the organization to operate effectively and efficiently. In particular, we analyze the vendor’s ability to deliver a robust and reliable cloud service, and its associated support and service capabilities (whether provided directly or through partners).

### Table 1: Ability to Execute Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product or Service</td>
<td>High</td>
</tr>
<tr>
<td>Overall Viability</td>
<td>High</td>
</tr>
<tr>
<td>Sales Execution/Pricing</td>
<td>Medium</td>
</tr>
<tr>
<td>Market Responsiveness/Record</td>
<td>High</td>
</tr>
</tbody>
</table>
Completeness of Vision

Gartner assesses vendors’ Completeness of Vision by evaluating their ability to articulate their perspectives on the market’s current and future direction, to anticipate customer needs and cloud technology trends, and to tackle competitive forces.

Each vendor’s Completeness of Vision is judged on its understanding and articulation of how market forces can be exploited to create new opportunities for itself and its clients, using the following criteria:

- **Market Understanding**: This criterion assesses the vendor’s ability to understand customers’ needs and relate those needs to products and services. Vendors with a clear vision of their market listen to and understand customers’ demands and can shape or enhance the market. We analyzed vendors’ understanding of how the market for core financial management suites is shifting to the cloud and what that means for finance functions.

- **Marketing Strategy**: This criterion looks for clear, differentiated messaging that is communicated consistently both internally and externally through social media, advertising, customer programs and positioning statements. We analyze how effective a vendor’s marketing strategy has been at raising awareness of it in this new and evolving market.

- **Sales Strategy**: This criterion looks for a sound strategy for selling that uses appropriate networks, including direct and indirect sales, marketing, service and communication networks. It also assesses any partners that extend the scope and depth of the vendor’s market reach, expertise, technologies, services and customer base.

- **Offering (Product) Strategy**: This criterion looks for an approach to product development and delivery that emphasizes market differentiation, functionality, methodology and features in light of current and likely future requirements.

- **Business Model**: This criterion assesses the suitability of the design, logic and execution of the vendor’s business proposition in terms of the likelihood of achieving continued success.
- **Vertical/Industry Strategy**: This criterion assesses the vendor’s strategy to direct resources (sales, product and development), skills and products to meet the specific needs of individual market segments, including industries. Each vendor was assessed on its strategy for service-centric industries where core financial management suites represent the foundation of an ERP strategy. However, as cloud core financial management suites are primarily a cross-industry solution, this criterion has a low weighting.

- **Innovation**: This criterion assesses direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes. In particular, we analyzed each vendor’s strategy for using cloud delivery as a way of bringing innovation to the finance function and to finance processes.

- **Geographic Strategy**: This criterion assesses the vendor’s strategy for directing resources, skills and offerings to meet the needs of areas outside its home region, either directly or through partners, channels and subsidiaries, as is appropriate for that region and market. We evaluated each vendor’s strategy for providing the localizations and translations required to support multinational and global organizations. We also assessed each vendor’s global go-to-market approach.

### Table 2: Completeness of Vision Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Understanding</td>
<td>Medium</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>Medium</td>
</tr>
<tr>
<td>Sales Strategy</td>
<td>High</td>
</tr>
<tr>
<td>Offering (Product) Strategy</td>
<td>High</td>
</tr>
<tr>
<td>Business Model</td>
<td>Low</td>
</tr>
<tr>
<td>Vertical/Industry Strategy</td>
<td>Low</td>
</tr>
<tr>
<td>Innovation</td>
<td>Medium</td>
</tr>
<tr>
<td>Geographic Strategy</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Gartner (June 2020)
Quadrant Descriptions

Leaders

Leaders demonstrate a market-defining vision of how core financial management systems and processes can be supported and improved by moving them to the cloud. They couple this with a clear ability to execute this vision through products, services and go-to-market strategies. They have a strong presence in the market and are growing their revenue and market share. In this market, Leaders show a consistent ability to secure deals with enterprises of different sizes and have a good depth of functionality across all areas of core financial management. They have multiple proofs of successful deployments by customers, both in their home region and elsewhere. Their offerings are often used by system integrator partners to support financial transformation initiatives.

Leaders typically address a wide market audience by supporting broad market requirements. However, they may fail to meet the specific needs of vertical markets or other, more specialized segments, which might be better addressed by Niche Players in particular.

Challengers

Challengers have greater market presence than Niche Players and Visionaries. They may have developed a substantial presence in one area of the market, but they lack a sufficiently broad vision to execute consistently more widely in the market. They understand the evolving needs of finance functions as they move to the cloud. They have a viable and proven cloud service, but they focus on a specific size of enterprise or selection of industries. They may focus on selling core financial management applications as part of a broader ERP offering, rather than on developing deep financial management functionality that is acknowledged as market-leading in its own right.

Challengers can become Leaders if they develop their vision for, and focus on, this market. Over time, large companies may move between the Challengers and Leaders quadrants as their product cycles shift and the market’s needs change.

Visionaries

Visionaries understand how the office of finance is changing as core financial management applications move to the cloud. They have a good vision for technology and functionality, but are limited in terms of Ability to Execute or a demonstrable track record. Their solutions attract enterprises that want to move core finance systems and processes aggressively to the cloud, and they may have some differentiating functional capability. Visionaries are typically limited in terms of market presence, geographic presence outside their home region, and the market’s awareness of them and their products. User organizations should therefore closely evaluate the extent of Visionaries’ presence in their industry segment and region.

Visionaries may become Challengers or Leaders, depending on how they strengthen their go-to-market capabilities and whether they can develop partnerships that complement their strengths. Visionaries sometimes make attractive acquisition targets for Leaders and Challengers.
Niche Players

Niche Players offer core cloud financial management functionality, but are limited in both their Completeness of Vision and Ability to Execute. Instead of a strong cloud technology vision, some have cloud-enabled existing applications for delivery as cloud services, but these offerings lack the usability of cloud-native solutions. Additionally, Niche Players may be more focused on core financial management applications as part of a broader ERP suite. Although they do sell and market these applications on a stand-alone basis, this is neither their focus nor part of their primary go-to-market strategy. Consequently, they have a weaker vision for finance transformation than do Leaders and Visionaries. They may also target specific industries or company sizes with deeper functionality — for example, several Niche Players focus on project-centric and midsize enterprises.

A Niche Player may be suitable for your requirements, and all the Niche Players in this Magic Quadrant should be considered viable contenders. However, it is important to understand their focus and to check that it meets your business requirements. If you like what a Niche Player offers, your evaluation should assess how well-aligned that vendor is with the market's direction. A Niche Player may be a risky choice if it is not heading in the same direction as the rest of the market.

Context

All the vendors in this Magic Quadrant sell and support cloud core financial management suites. The extent of their support for country-specific financial reporting and accounting processes (such as tax processing) varies, however, as does the availability of their solutions in multiple languages. Nevertheless, to appear in this Magic Quadrant, each vendor had to actively market and sell its solutions outside its home region, which means that every vendor in this Magic Quadrant operates internationally, if not globally. Application leaders should draw up a list of required languages and localizations at the start of any evaluation of vendors’ cloud core financial management suites. This will help eliminate vendors that cannot meet your needs early in the process.

Gartner’s client inquiry data shows that interest in cloud core financial management suites is increasing significantly. Many application leaders and senior finance users believe that moving to the cloud will enable them to easily avoid the challenges they face with on-premises core financial applications — such as cumbersome user interfaces, too much customization and expensive, hard-to-manage upgrades. Although all the solutions featured in this Magic Quadrant offer the potential to address some or all of these challenges, you nonetheless need to prepare for issues in the following areas when moving to the cloud:

- Getting finance users, who are frequently change-averse, to move from heavily customized systems to standardized processes in SaaS solutions. This requires strong change management capabilities.

- Realizing cost savings by reducing internal IT costs. This means that finance users must take a greater role in application configuration, management and testing. Most finance teams are not equipped to do this.
Integrating cloud core financial management applications with on-premises feeder systems and other cloud services. This requires different integration strategies, as well as integration tools and techniques that your IT department may not be familiar with.

We explore these issues in more detail in “Finance Moving to the Cloud: The Steps to Take and the Benefits You Can Expect” and “Forget What You Know and Start Fresh When Implementing Cloud Core Financial Management Suites.” We recommend that you study both documents in conjunction with this Magic Quadrant. Similarly, an increasing number of organizations moving their financial management solutions to the cloud anticipate dramatic cost savings only to find they are unable to realize them. We address the key success factors that can make the difference in these outcomes in “Survey Analysis: Cloud Financials May Not Be Cheaper Than On-Premises.” Other recently published Gartner research that complements this Magic Quadrant includes “Predicts 2020: Position Your Organization for Success in a World of Changing Financial Management Solutions” and our “2019 Strategic Roadmap for Cloud Core Financial Management Suites.” Each of these reports will help you engage with finance users and ensure that moving core financial applications to the cloud is not treated simply as a vendor selection exercise.

**Market Overview**

ERP is one of the largest categories of enterprise software spending, with projected revenue of $42 billion in 2020 growing to $58.2 billion in 2024. The ERP market is undergoing a generational technology shift, driven by the advent of cloud computing. Through 2024, the five-year compound annual growth rate (CAGR) for cloud ERP is 16.6%, almost three times that of the overall ERP rate of 6.2%. We expect this growth to continue unabated. For market-sizing purposes, Gartner’s definition of ERP includes the categories of administrative ERP — financial management software (FMS) and HCM software — and operational ERP (manufacturing and operations software, and enterprise asset management software). FMS is the second largest market segment and an essential component of ERP.

Spending on FMS is forecast to be $15.9 billion in 2020, rising to $21.6 billion in 2024. The cloud FMS spending is forecast to deliver $5.8 billion in revenue in 2020, outpaced only by HCM. Through 2024, SaaS FMS revenue has a five-year CAGR of 16.3%, rising to $11.5 billion in 2024. As a percentage of overall segment revenue, the contribution of cloud FMS is forecast to rise from 36% in 2020 to 53% in 2024.

Public cloud SaaS solutions that support FMS capabilities have matured to where they are now viable for midsize and large enterprises. While penetration is lower among global enterprises (those with annual revenue more than $5 billion) at the corporate level, many have begun to embrace public cloud SaaS FMS at the divisional level. We expect adoption by global enterprises to continue to grow in the next year or two. There will be a greater shift toward SaaS FMS as on-premises deployments reach the end of their useful life. Cloud FMS adoption across all regions in 2020 is forecast to be led by North America (29.5%), followed by Western Europe (22.9%) and Mature Asia/Pacific (13.2%).
All numbers posted above are based on constant currency as of April 2020 (see “Forecast: Enterprise Application Software, Worldwide, 2018-2024, April 2020 Update”). These predictions reflect our finding that the market for FMS, and especially for core financial management applications, is switching quickly to SaaS. During the past 36 months, this shift has become significant enough for Gartner to justify publication, for a fourth year, of this Magic Quadrant specific to cloud core financial management suites.

Acronym Key and Glossary Terms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Term Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI</td>
<td>artificial intelligence</td>
</tr>
<tr>
<td>AP</td>
<td>accounts payable</td>
</tr>
<tr>
<td>AR</td>
<td>accounts receivable</td>
</tr>
<tr>
<td>ASC 606</td>
<td>revenue recognition standard for revenue from contracts with customers from the Financial Accounting Standards Board (FASB)</td>
</tr>
<tr>
<td>AWS</td>
<td>Amazon Web Services</td>
</tr>
<tr>
<td>FA</td>
<td>fixed assets</td>
</tr>
<tr>
<td>FC</td>
<td>financial close</td>
</tr>
<tr>
<td>FMS</td>
<td>financial management software</td>
</tr>
<tr>
<td>FP&amp;A</td>
<td>financial planning and analysis</td>
</tr>
<tr>
<td>GL</td>
<td>general ledger</td>
</tr>
<tr>
<td>HCM</td>
<td>human capital management</td>
</tr>
<tr>
<td>ML</td>
<td>machine learning</td>
</tr>
<tr>
<td>RPA</td>
<td>robotic process automation</td>
</tr>
</tbody>
</table>

Evaluation Criteria Definitions

Ability to Execute
Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

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

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of
market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

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

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

**Recommended by the Authors**

- How Markets and Vendors Are Evaluated in Gartner Magic Quadrants
- Magic Quadrant for Cloud Financial Planning and Analysis Solutions
- Critical Capabilities for Cloud Financial Planning and Analysis Solutions
- Magic Quadrant for Cloud Financial Close Solutions
- Critical Capabilities for Cloud Financial Close Solutions
- 2019 Strategic Roadmap for Cloud Core Financial Management Suites
- Survey Analysis: Cloud Financials May Not Be Cheaper Than On-Premises
- Forget What You Know and Start Fresh When Implementing Cloud Core Financial Management Suites
- Toolkit: RFP Template for Cloud Core Financial Management Applications

**Recommended For You**

- Toolkit: Digital Maturity Assessment for Life and P&C Insurers 3.0
- Reshape the Data Design of Your APIs to Align With Your Integration Strategy
- Summary Translation: 6 Principles for Digital Business Risk Assessment
- Summary Translation: How to Manage the Risks of Decision Automation
- Summary Translation: Market Guide for Online Fraud Detection