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# Decision Matrix – Selecting an IPM Vendor in the Higher Education Market (Competitor Focus)

## Diversity flourishes in an emerging solution area

## OVERVIEW

### Catalyst

Due to demand for a better understanding of the competitive landscape in the institutional performance management (IPM) in higher education market, Datamonitor has developed the IPM in Higher Education Decision Matrix. This report explores the competitive dynamics within the IPM in higher education market and helps institutions to select a vendor based on its technology strength, reputation among customers and impact in the market. Datamonitor provides a complete view of vendor capabilities and advises on those you should explore, consider and—most importantly—shortlist.

### Summary

Datamonitor believes that the competitive landscape for IPM in the higher education market is characterized by the following factors:

- Through acquisition and development, vendors that traditionally focused on the enterprise resource planning (ERP) and student information systems' (SIS) market are now leveraging their ownership of transactional processes, and data and knowledge of institutional processes, in order to provide compelling, higher education-specific IPM solutions.

- Aiming to fill an unmet need for lower-cost and more flexible IPM solutions that deploy rapidly, a number of maverick vendors are taking innovative approaches to developing and delivering their solutions to the market.

- When it comes to features, functionality and approach, the set of IPM solutions available to the higher education market is highly diverse, offering institutions considerable choice, but also risking further confusion over what constitutes an IPM solution.

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## MARKET DEVELOPMENTS

### *IPM is a bright spot on the IT spending horizon for higher education*

The higher education market is poised to scale the steep part of the adoption curve for IPM solutions. While data-driven decision-making has been a popular conference agenda item and topic of discussion for the past decade, too many educators have paid only nominal 'lip service' to the concept, and have not taken substantive action towards changing institutional processes or adopting enabling applications and solutions. In the past 18–24 months, however, the pace of change and degree of turbulence in higher education has risen dramatically. The combination of demands for accountability from Congress and the US Department of Education, budget implications from the economic downturn and credit crisis, and heightened competition for student recruitment due to globalization and demographic shifts, are leaving educators with few options. They must improve the effectiveness of their institutional processes and IPM solutions will be a critical component of how institutions accomplish this undertaking. As a result, their adoption and implementation in the higher education market will increase rapidly over the short-term. Yet, all that glitters is not gold; realizing value from IPM uptake in this market will require considerable investment from both vendors and institutions, particularly from an ease of deployment and change management perspective. In the end, Datamonitor believes that this investment is worthwhile, as it is likely to usher in an era of more effective institutional decision-making and internal processes.

In this report, Datamonitor will take a close look at the competitive landscape for IPM solutions in the higher education market. While the list of included vendors is not intended to be exhaustive, Datamonitor believes that it is a representative one, offering readers an in-depth analysis of the leading vendors within the specific context of higher education, as well as an illustrative view of some unique and innovative approaches. The ten vendors considered in this report of are listed in Table 1 below.

| Table 1: Vendors Included in the IPM in Higher Education Decision Matrix |
|---|
| **Cognos – IBM** |
| **Information Builders** |
| **iStrategy** |
| **JasperSoft** |
| **Jenzabar** |
| **Oracle** |
| **Pentaho** |
| **SAP** |
| **SPSS** |
| **SunGard Higher Education** |
| Source: Datamonitor      **D A T A M O N I T O R** |

Datamonitor expects the following developments over the next 12–36 months:

- **The economic downturn and credit crisis will escalate the adoption of IPM solutions** – the slowing economy and increasing difficulty of obtaining credit will have a considerable impact on institutions' day-to-day operations and strategic decisions. The higher education industry will face the triple whammy of students and their families being increasingly unable to pay tuition, endowment performance and public subsidies being slashed, and ballooning need as workers are laid off and require re-training. As administrators from across the campus struggle to find additional resources for financial aid, recruit more students and squeeze the budget to replace faculty, they will be required to do more with the same or less. Executive-level decision makers at many colleges and universities have already identified the utilization of institutional data as a key strategy for uncovering productivity gains, and discovering new ways to provide services more effectively. The next step will be applying powerful tools to bring this strategy to life. Datamonitor believes that regardless of the slowing pace of IT budget growth, the uptake of IPM solutions will flourish as institutions perceive this solution area as a critical tool for navigating the economic downturn successfully.

- **Deployment times are decreasing rapidly** – as the higher education market endeavors to respond to change more rapidly and even to become proactive in its approach, the amount of time required to install and implement enterprise solutions will come under increased scrutiny. Few institutions will have the luxury of waiting six, 12 or even 18 months to start using an IPM solution. Regardless of whether these timelines are accurate approximations, many in the higher education market have discounted the value of IPM because they associate its implementation with too many months of development, and too many millions of dollars in costs. The degree to which IPM vendors are offering pre-built data models and higher education-specific report templates and modules, as well as services to facilitate implementation, is moving in the right direction. Datamonitor anticipates that as more institutions are able to 'get up and running' with their IPM solutions in a relatively short period of time, word will spread in the market and the hesitancy to invest in this solution area will decrease.

- **SIS and ERP vendors will operate from a position of strength in the IPM market** – student information systems (SIS) continue to be the center of gravity in terms of institutional processes and data collection. Discussions about changes to how an institution delivers services to students are often tempered by the capabilities or limitations of this solution. As a result, vendors in this market, including Jenzabar, Oracle, SAP and SunGard Higher Education retain the inside track when it comes to their clients adopting an IPM solution. When embarking on an IPM implementation, institutions find it reassuring that their vendor has an intimate knowledge of the SIS and enterprise resource planning (ERP) data model, as well as the transactions and interactions which precipitated that data. The considerable consolidation of the business intelligence (BI) market in recent years further reinforces this position, particularly for such vendors as Oracle with its acquisition of Hyperion, and SAP with Business Objects. While 'owning' a solution does not represent a panacea for integration or a data model, these acquisitions and relationships are likely to offer institutions considerable value over time.

- **Advanced functionality is appreciated, but basic access is the priority** – while institutions recognize the long-term value of more sophisticated features and functionality, when it comes to IPM they have not let perfection be the enemy of the good. Predictive analytics, robust integration with presentation software and highly interactive collaboration tools offer immense value, but institutions perceive the adoption of these features

and functionality as a longer-term goal. Instead of taking cues from the corporate sector, it is advisable for vendors to consider the unique needs of higher education closely. Institutions will value an end-user interface that is highly intuitive and accessible to a broad set of potential users, particularly those with less developed technology or data manipulation skills. Similarly, the market will embrace solutions that have higher-education-specific reporting templates and pre-built data models, as these features reduce the total cost of ownership (TCO) and speed deployment. It is important to note that vendors can encourage the appetite for advanced analytics by applying the above recommendations to this capability—an intuitive end-user interface and pre-built reports and analyses. At the end of the day, the best vendors will perceive the unique characteristics of higher education as an opportunity to push their solutions further, rather than as an impediment to more sophisticated functionality.

- **A 'big bang' will dramatically increase the constellation of data sources used for IPM** – transactions managed by SIS and ERP solutions are currently the dominant sources of data leveraged by IPM implementations. As the usage of these solutions is well established and pervasive, they represent a natural starting point for more robust reporting and analytics capabilities. In the coming years, however, institutions will increasingly leverage interactional data from their nascent constituent relationship management (CRM) applications and pedagogical data from their more mature learning management solutions (LMS). As higher education is predicated upon the quality of institutional relationships—among faculty for research, between faculty and students for learning, among students for personal development, and even between the institution and employers for economic development—using these data to manage institutional performance is a substantive leap forward. Regardless of the direct positive impact, including these data will require IPM solutions to support a more heterogeneous environment and to develop more rich data models.

## THE IPM IN HIGHER EDUCATION DECISION MATRIX

In the Decision Matrix, Datamonitor provides a summary of IPM vendors' capabilities based on a quantitative assessment of their market impact and end-user sentiment, as well as the technology features that they offer. The detailed scores underpinning the Decision Matrix can be found on individual vendor radars and in Table 3 in the Appendix. Datamonitor also provides guidance for institutions looking to deploy IPM solutions and advises whether they should immediately shortlist, consider or explore solutions from these vendors.

The following definitions are used for each of these recommendations:

- **Shortlist** – these vendors' products and services should always be placed on an institution's shortlist for IPM technology selection. This category represents the leading solutions that Datamonitor believes are worthy of a place on most technology selection shortlists. The vendor has established a commanding market position with a product that is widely accepted as best of breed.

- **Consider** – the vendors in this category have good market positioning, and are selling and marketing the product well. The product offers competitive functionality and good price/performance, and should be considered as part of the technology selection process.

- **Explore** – solutions in this category have less broad applicability, and may have limitations in terms of the product's functionality, or the vendor's execution capability. However, they will still be suitable to meet specific requirements and may be worth exploring as part of the technology selection process.

Because realizing the value from a IPM deployment is critically dependent upon the solution's ability to execute the institution's overall performance management strategy, a decision to purchase one solution over another should be based on a broad array of factors, including, but not limited to, the degree of alignment between the solution's features and functionality, and the specific objectives of the institution's performance management strategy. As a result, Datamonitor's recommendations of shortlist, consider and explore should be taken only within the context of an institution's specific solution requirements.
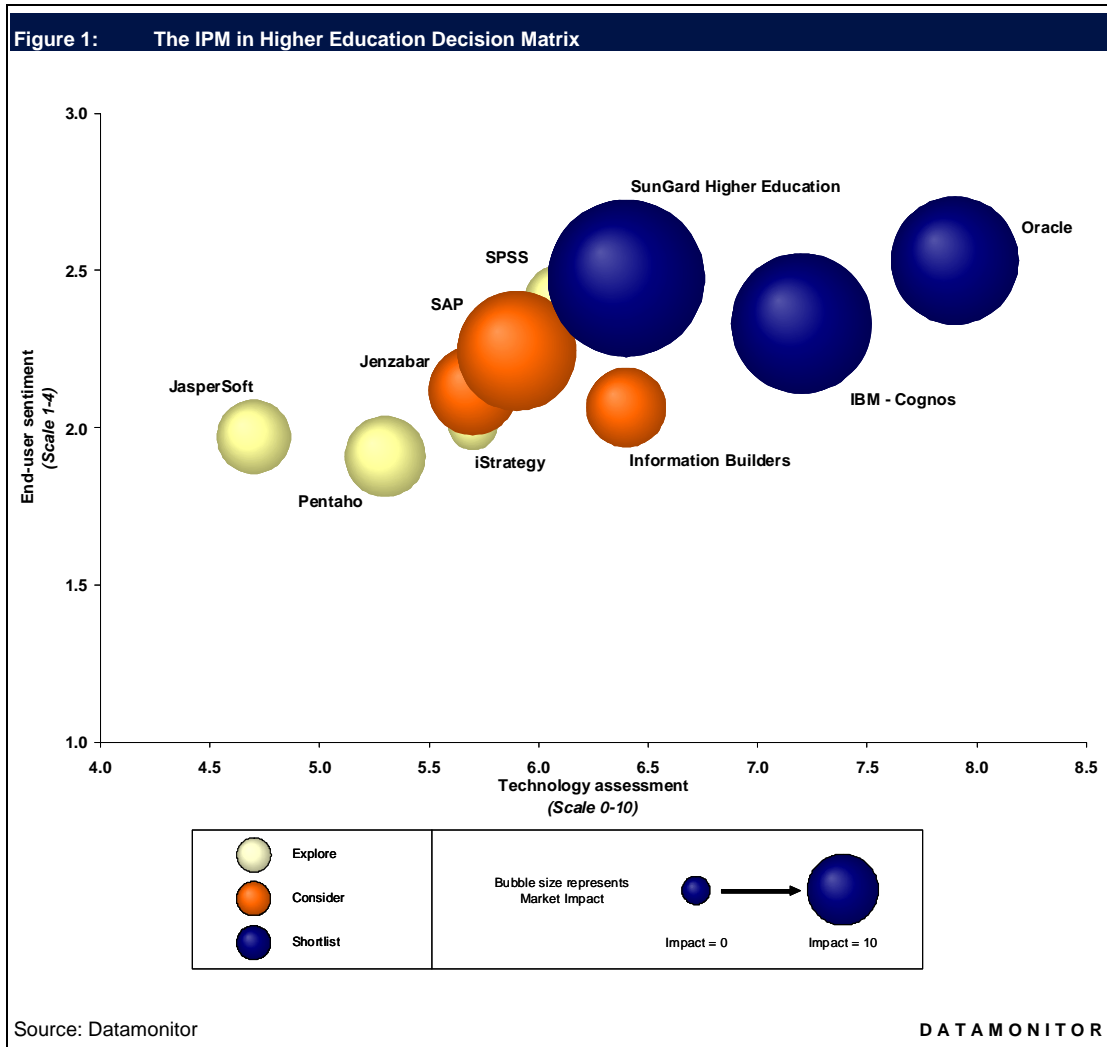
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Figure 1: The IPM in Higher Education Decision Matrix

Source: Datamonitor

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| Table 2: | The IPM in Higher Education Decision Matrix | |
|---|---|---|
| **Shortlist** | **Consider** | **Explore** |
| IBM-Cognos | Information Builders | iStrategy |
| Oracle | Jenzabar | JasperSoft |
| SunGard Higher Education | SAP | Pentaho |
| | | SPSS |

*vendors are listed alphabetically in each category*

Source: Datamonitor **DATAMONITOR**

## Market leaders: IBM-Cognos, Oracle and SunGard Higher Education

The top position in the IPM for higher education market is populated by three, well-established vendors, IBM-Cognos, Oracle and SunGard Higher Education. Across the areas of market impact, end-user sentiment and technology assessment, these vendors uniformly provided strong evidence of their market-leading position. Consequently, Datamonitor recommends that institutions should place these vendors on their shortlist when selecting an IPM solution.

Interestingly, IBM-Cognos represents the only vendor providing exclusively IPM solutions in the shortlist category. There are two reasons for this outcome. Without question, the IBM Cognos BI Suite pulls away from the pack of IPM solution through its ability to balance robust functionality with higher education specificity. Moreover, the vendor wraps strong services around the solution in order to facilitate its successful deployment and usage. Institutions recognize this attention to industry needs, and IBM-Cognos has cultivated a large installed base and continues to expand in this market.

While Oracle is best known for its work in the corporate sector, it has a long-standing commitment to meeting the needs of the higher education industry. With a large, global installed base, and notably positive perception of its products and services by end users, Oracle has considerable influence among colleges and universities. The vendor's growth and impact is a direct result of the robustness and quality of its solutions. By leveraging its facility with the solutions feeding data into its EPM solution and its deep industry knowledge, Oracle has the ability to provide an enterprise-class IPM solution that comes with considerable out-of-the-box functionality, tailored specifically to institutional needs.

SunGard Higher Education is one of the most widely recognized vendors offering an IPM solution exclusively to the higher education market. While SunGard's Performance Management Suite is relatively new to the market and not yet complete, it takes an innovative approach by delivering IPM functionality to end users at the point when they need it most; during specific transactions and interactions. Moreover, SunGard has demonstrated its enviable industry knowledge by creating natural-language scorecards that indicate progress towards meeting strategic goals, thereby putting performance in a real-word context. As a result, data-driven decision-making becomes part of the institution's day-to-day operations.

## The challengers: Information Builders, Jenzabar and SAP

The large and varied set of vendors offering IPM solutions to the higher education market offers a multitude of compelling options to institutions. While Information Builders, Jenzabar and SAP may not have performed as well across all of the

Decision Matrix categories as the shortlist vendors, institutions, when factoring in their unique needs and context, will find that these solutions offer valuable options. Therefore, Datamonitor recommends that when evaluating IPM solutions, institutions strongly consider Information Builders, Jenzabar and SAP.

Information Builders is the best IPM vendor that the majority of the higher education market has not yet discovered. Although many institutions use its WebFOCUS solution, Information Builders has not yet popped up on the IPM radar in higher education. This is unfortunate, as Information Builders offers a highly sophisticated IPM solution with the unique capability to map visually the relationship between performance on discrete indicators and the achievement of strategic objectives. Moreover, the solution comes with a starter-kit for higher education and includes a valuable set of reporting templates. Consequently, Information Builders offers institutions an attractive alternative to more established IPM vendors, regardless of its visibility in the market.

Supporting a large base of ERP clients, Jenzabar is an established and well-recognized solutions vendor in the higher education market. The Campus Intelligence solution is primarily a services engagement, whereas Jenzabar utilizes IBM Cognos BI v.8.0 in order to build a custom solution for each institution. Although the idea of a custom engagement is typically associated with time- and resource-intensive projects, by leveraging its considerable industry knowledge and familiarity with its own ERP solution, Jenzabar has dramatically reduced the time to deployment for its Campus Intelligence solution. Consequently, it is able combine robust Cognos technology and higher education specificity without compromising on the need for a rapid deployment.

SAP is an established provider of technology solutions to the higher education market, having achieved particular success with its global reach. As the service-oriented architecture (SOA)-enabled SAP BI Suite sits on top of a complete set of SAP transactional and interactional solutions, as well as supporting a set of extractors for external solutions, users have the benefit of a high degree of integration and interoperability. While the absence of higher-education-specific functionality may require the expenditure of additional time during the implementation phase, in order to configure the solution for higher education, institutions having unique needs that would be unmet by out-of-the-box functionality are likely to find this absence an attractive characteristic.

## Niche competitors: iStrategy, JasperSoft, Pentaho and SPSS

The market for IPM solution in higher education is still an emergent one. As a result, considerable room and even enthusiasm exists for alternative approaches to developing and delivering IPM solutions, and even for the definition of an IPM solution. Therefore, Datamonitor believes that iStrategy, JasperSoft, Pentaho and SPSS offer institutions valuable options, and should be explored when selecting performance management, particularly by those institutions that have unique needs which are typically unmet by more traditional vendors.

Relatively new to the market, iStrategy has taken a new approach to conceptualizing and delivering IPM functionality to colleges and universities. iStrategy's HigherEd Analytics Suite is a set of pre-built data warehouses for specific ERP solutions. The solution then uses these warehouses to offer four modules organized around reporting on students, finance, human resources and advancement. Consequently, institutions are able to deploy the HigherEd Analytics Suite relatively quickly and realize a return on investment (ROI) potentially faster than if they were using a traditional IPM solution. As iStrategy is still largely unknown in the higher education market, it is difficult to assess whether institutions will find the approach broadly appealing.

Although JasperSoft and Pentaho have yet to gain strong traction and visibility in the higher education market, they are particularly interesting examples of vendors offering a commercial open source IPM solution. Institutions are likely to appreciate the considerable flexibility and attractive price points of these solutions. Moreover, Pentaho has leveraged a relationship with the University of Waikato to add a data mining functionality to its solution. Unfortunately, however, neither vendor has yet been able to extend its solution with higher education-specific functionality that would give it more broad appeal in the industry. Nevertheless, Datamonitor believes that institutions seeking more control over their IPM solution and having a positive orientation to open source will find these solutions particularly attractive.

SPSS neither fits the traditional definition of an IPM provider, nor does it contend to be one. Nevertheless, by offering institutions a set of powerful tools for utilizing advanced analytics, the vendor plays an important role in the competitive landscape for IPM in higher education. When using data to drive decision making, SPSS Predictive Analytics empowers institutions to understand the future implications and cascading effects of their actions. While the current version of the solution is more accessible to the institutional research department than typical line of business (LOB) end users, it is hoped that SPSS will invest in the development of modules and reporting templates in order to expand the population of potential end users.

## MARKET LEADERS

As the competitive landscape may vary significantly across the three areas covered by Datamonitor's Decision Matrix—technology assessment, end-user sentiment and market impact—it is important to consider these categories separately in order to develop a more complete understanding of each vendor's particular strengths and weaknesses, and why it has been assigned a shortlist, consider or explore rating. In the following section of this report, Datamonitor will present the market leaders for each area and then discuss how they vary across the sub-criteria within the assessment areas.

### Market leaders: technology assessment

Attesting to the considerable diversity in the competitive landscape for IPM in the higher education market, in the technology assessment category nine of the 10 vendors profiled in this report are positioned as market leaders. Vendors are clearly using specific features, functionality and capabilities to differentiate themselves in the market.



**Figure 2:      Market leaders analysis: technology assessment**

Source: Datamonitor

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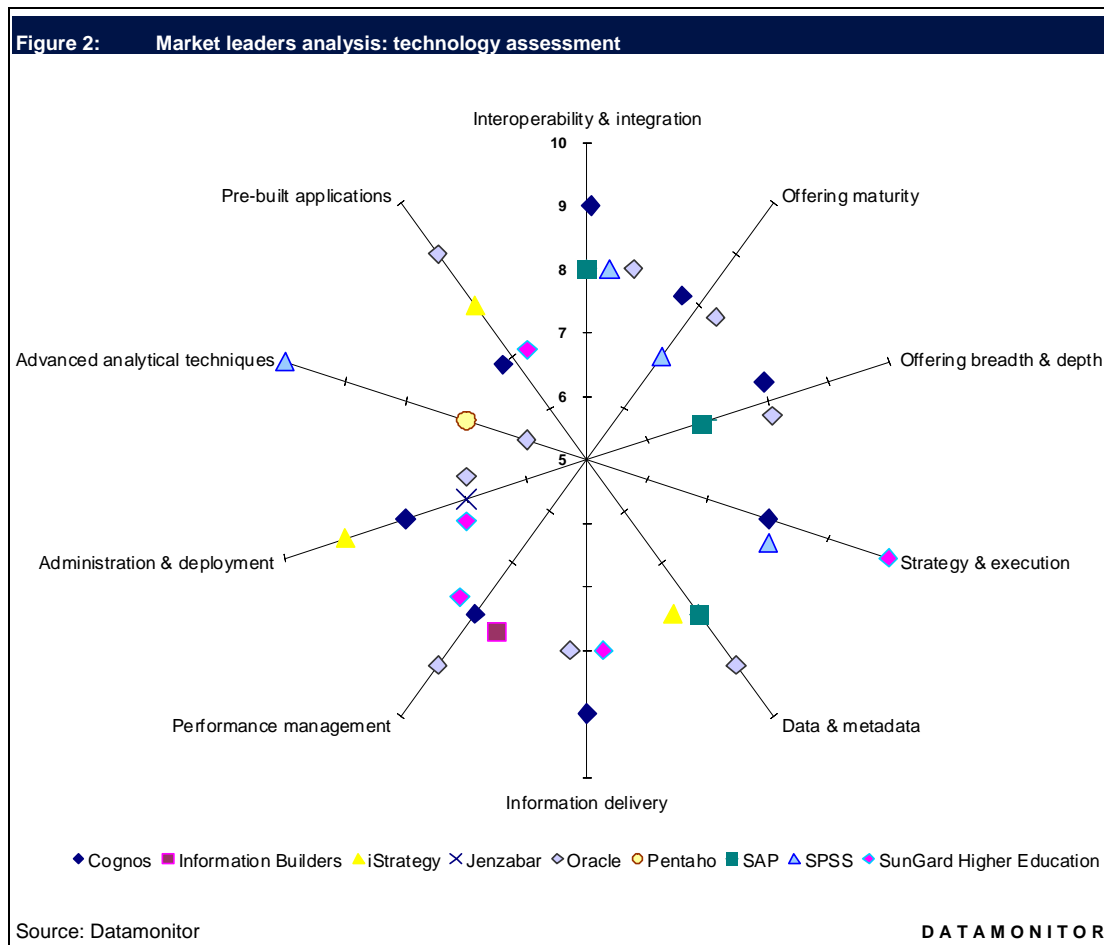
Advanced analytics, administration and deployment, pre-built applications, and strategy and execution were four areas in which a few vendors pulled away from the pack in terms of the quality of their offerings. Without question, SPSS has the best analytics offering, whereas Oracle, Pentaho and SAP fall a distant second and third. Given the long-term importance of using more robust statistical techniques for forecasting, other vendors should extend their capabilities in this area either through partnerships or in-house development.

As the tolerance for long and costly deployments is waning in the higher education market, vendors such as iStrategy and IBM-Cognos are leading the way towards a more attractive TCO for performance management solutions and a faster ROI. To a large degree, this capability is intertwined with the extent to which the solution has pre-built applications and reporting templates, as is the case for both the HigherEd Analytics Suite and IBM Cognos BI v.8.3. In this area, however, Oracle stood out from the pack due to its modules for human resources, finance and Campus Solutions. It is anticipated that as SunGard Higher Education rolls out the remaining modules of its Performance Management Suite, it will be a serious contender for the number one position in this area.

More so than other solution areas, the decision to adopt an IPM solution is an institutional rather than technology change. Consequently, institutions have a strong appetite for robust professional and technical services during the implementation and usage phases of deployment. Recognizing this need, SunGard Higher Education has developed a comprehensive set of services to support the implementation of its Performance Management products, from technical support all the way to the outsourcing of the institutional research function. As a result, for the area of strategy and execution, SunGard received one of only two perfect scores awarded across the entire technology assessment category.

SOA-enablement was a key theme among the vendors receiving the highest scores in the area of integration and interoperability. IBM-Cognos, Oracle, SAP and SPSS have all made an investment in creating a far more robust environment for supporting integration, rather than simply enabling a point-to-point integration with specific applications. As a result, institutions have the freedom to change their constellation of source data applications without worrying about the impact of these decisions on the effectiveness of their IPM solution.

## Market leaders: end-user sentiment

Only IBM-Cognos, Oracle, SPSS and SunGard Higher Education received top scores from the higher education end-user community. While these findings might suggest that only a few vendors have won institutional favor, in reality, the overall low end-user sentiment scores for all vendors indicate that the market is not particularly pleased with the IPM solutions offered to it. To some degree, this is the expected outcome of a highly diverse competitive landscape for an emergent solution area, in which institutions find it difficult to answer the question, 'what is an IPM solution?' However, IPM vendors should also interpret these results as a wake-up call, suggesting the need to invest in the quality of their products and services.

Oracle and SunGard Higher Education tied for the overall highest end-user sentiment score. While Oracle earned the top score in six of the eight categories, SunGard was extremely close in the two remaining categories, ahead in one, behind in the other, so the overall scores evened out. Given that these vendors have a robust product suite and a long history of success in the higher education market, their high marks from end users are not surprising.

The top three finishes for SPSS in every category are, however, a somewhat unexpected development, particularly as a relatively small percentage of institutions use its Predictive Analytics solution. Datamonitor suspects that SPSS's sterling

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reputation as a provider of advanced analytics software to individuals is following it to the enterprise market. The majority of IT decision makers with a doctoral degree are likely to have used SPSS to conduct the statistical analysis required to complete their dissertations. While confusion in the market surrounding a vendor's products is, for the most part, a significant problem, it offers a unique opportunity for SPSS to leverage its reputation in order to advance its position in the institutional market. A key challenge, however, will be to convince LOB end users that the Predictive Analytics solution is accessible to them, without compromising SPSS' reputation as a leading provider of advanced analytics.

**Figure 3:       Market leaders analysis: end-user sentiment**



Source: Datamonitor                                    **D A T A M O N I T O R**

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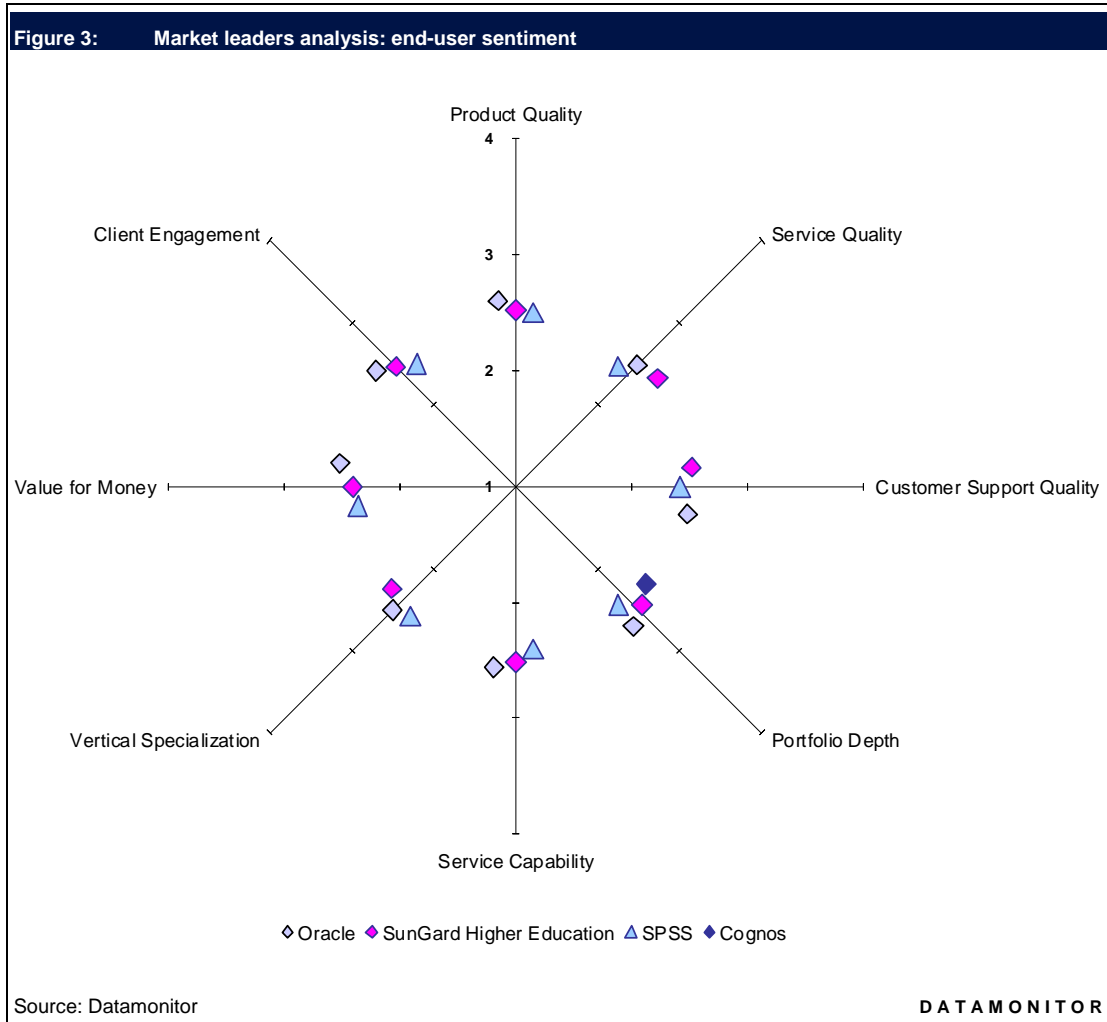
## Market leaders: market impact

The ability to impact an industry is often reserved for a few, more established vendors. Yet, in the case of IPM solutions for the higher education market, nine of the 10 vendors offering a solution to higher education were identified as a leader in at least one market impact category. This type of outcome pattern suggests that while the 'old guard' are dominant in categories associated with the size of their installed base, such as overall revenue or geographic reach, younger vendors, with new ideas and approaches, are making significant progress in the areas of revenue growth and new customers.

| Figure 4: | Market leaders analysis: market impact |
|-----------|----------------------------------------|



◆ Cognos  ■ Information Builders  ▲ iStrategy  ✕ JasperSoft  ✕ Jenzabar  ◇ Oracle  ○ Pentaho  ■ SAP  ◆ SunGard Higher Education

Source: Datamonitor

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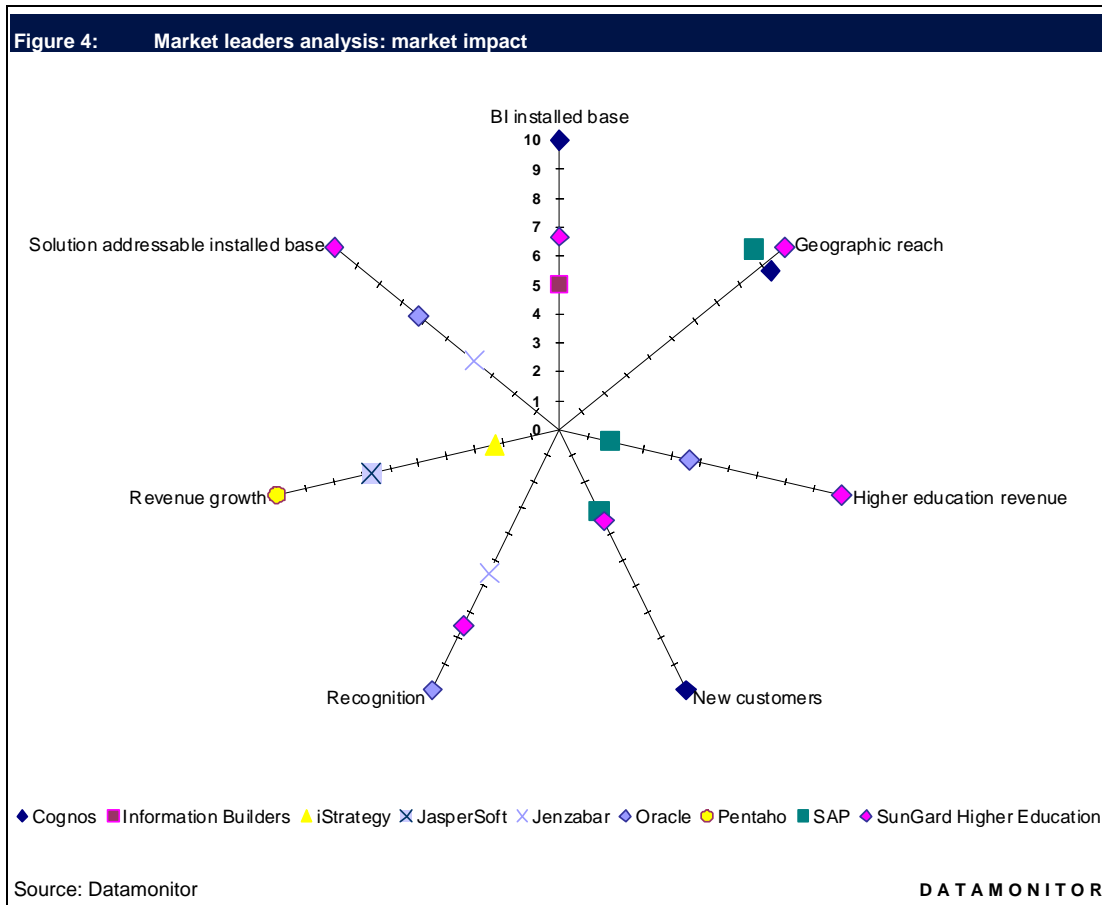
SunGard, IBM-Cognos and Oracle earned the highest overall scores for market impact. Among these vendors, SunGard has the largest potential impact on the market, having earned the top score in three of the seven market impact categories, including solution addressable installed base, geographic reach and higher education revenue. IBM-Cognos, with its long-standing history of providing IPM solutions to the higher education market, received the second highest overall score, with the largest IPM installed base and number of new customers in 2007. Interestingly, Oracle received the highest recognition score, which is calculated from data collected in the end-user survey. Datamonitor believes that a number of factors have

contributed to this score, including a nearly pervasive advertising campaign for performance management targeting the horizontal market, the strong institutional uptake of other Oracle technologies, such as its database products, and the vendor's long-standing commitment to industry finally having an impact.

The less established vendors in the higher education market, including Pentaho, JasperSoft and iStrategy, dominated the category of revenue growth. Adhering to the old adage, 'it takes money to make money', the leading vendors for new IPM installations were IBM-Cognos, SunGard Higher Education, SAP and Information Builders. Typically, the selection process for IPM, or any software solution for that matter, is time and resource intensive for vendors, requiring at the very least a detailed response to a request for proposal (RFP), multiple in-person demonstrations, the provision of reference accounts, and multiple onsite meetings. As a result, smaller vendors, even if their products are superior, are often at a distinct disadvantage in the competitive situation from a sales support perspective.

## VENDOR ANALYSIS

### *Cognos: IPM in Higher Education Radars*

Cognos, an IBM company, is a leading provider of BI and performance management solutions. A long-standing commitment to continuous product development and investment, exemplified by the IBM Cognos BI solution v.8.3, has earned Cognos its position in the competitive landscape. Moreover, as further evidence of the Cognos solution's strong reputation, two of the most established technology vendors in the higher education market use it as the platform for their own IPM solutions.



**Figure 5:      Cognos-IBM IPM in Higher Education Radars**

Source: Datamonitor

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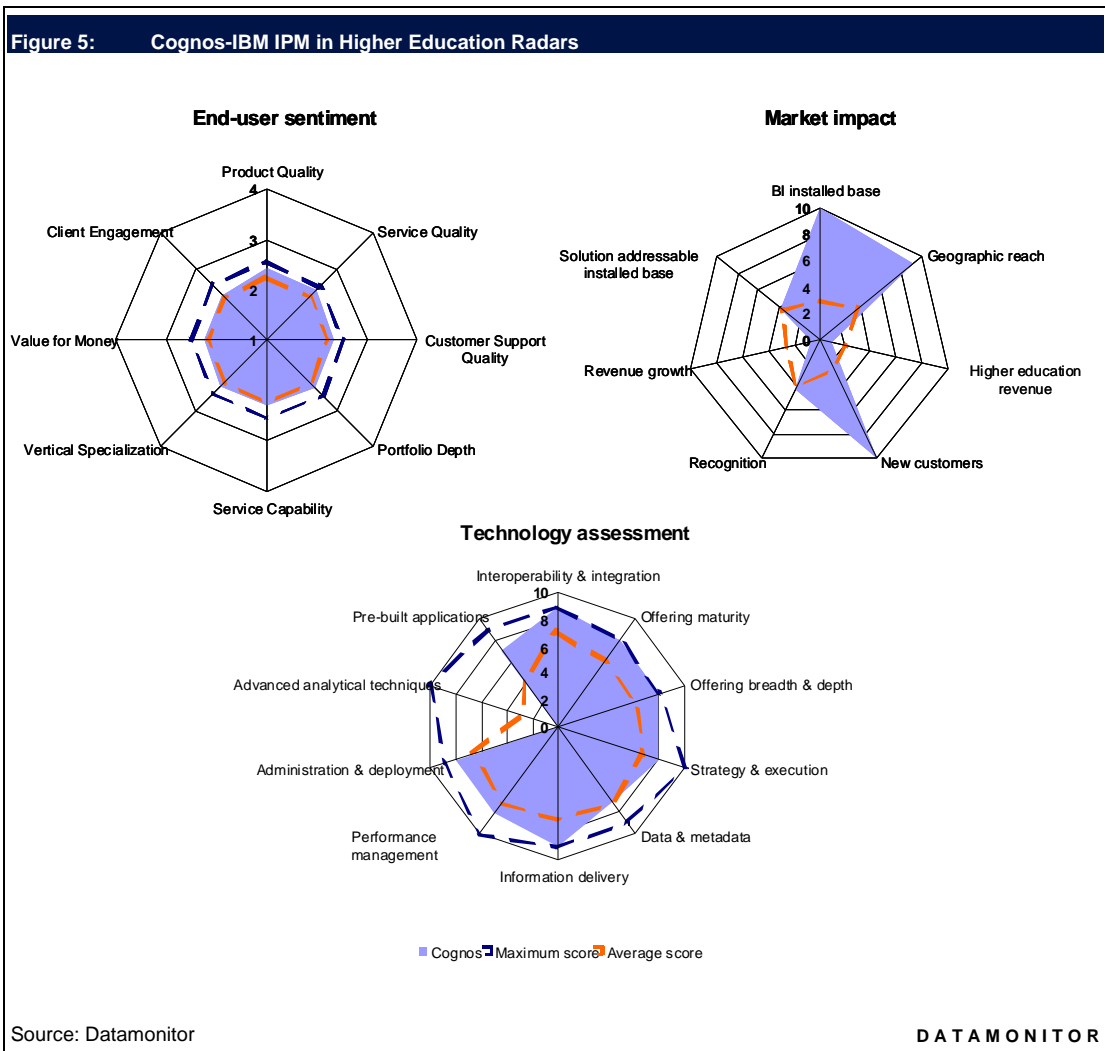
While Cognos is particularly well-known in the corporate sector, it also has a broad and significant presence in the higher education market. In fact, of all the vendors profiled in this report, Cognos has the largest IPM installed base. While it is often difficult to maintain a strong growth rate as the installed base numbers grows larger, Cognos's ability to add new institutions continues to lead the market. This growth is not surprising, as the company had a strong showing on the end-user sentiment scale in terms of the reputation of its product portfolio. Furthermore, Cognos supports its already robust solution with a comprehensive suite of higher-education-specific services and consulting capabilities.

At the end of the day, however, the strength of the IBM-Cognos BI solution is the primary driver for Datamonitor's shortlist recommendation. With the second highest overall technology assessment score, Cognos obtained a leader position in eight of the 10 evaluation criteria. With its SOA and long-standing support for heterogeneous environments, Cognos offers stand out capabilities for integration and interoperability to higher education institutions. Moreover, following its acquisition by IBM, which is a consistent champion of and advocate for open standards, Datamonitor anticipates that Cognos's capability in this area will continue to expand. The company's attention to delivering information according to the specific needs and context of end users, as well as enabling institutions to view performance through the lens of their own strategic objects, also earned Cognos strong marks.

Data and metadata, and advanced analytics were the only two areas in which Cognos did not earn a top three score. As the creation of data models for disparate systems, such as ERP, LMS and CRM, represents a particularly painful part of the implementation process for IPM, it would be helpful if Cognos productized this capability more fully. Additionally, while end users are able to obtain advanced analytical capabilities through the partnerships Cognos has established, over the long-term institutions will expect their IPM solution to include such capabilities without the use of third-party vendors.

## Recommendation: shortlist

Cognos successfully delivers the innovation and robustness typically found in corporate-sector performance management applications in a package that is suitable for the unique needs of the higher education market. Given its impressive scores across nearly all of the technology assessment criteria, as well as its established position in the higher education market, Datamonitor recommends that institutions place Cognos on their shortlist when selecting an IPM.

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### Information Builders: IPM in Higher Education Radars

Bringing over 30 years of experience in the BI market to the development of its WebFOCUS solution, Information Builders is a well-respected provider of IPM solutions. However, in the higher education market, Information Builders continues to operate largely under the radar even though it has established a considerable presence. Having the second largest installed base and yet the fifth lowest recognition score suggests that once perception catches up with reality, Information Builders may become a major player in the higher education market. Interestingly, as higher education represents the largest industry in attendance at Information Builder's annual user conference, it is rapidly becoming a community within the vendor's installed base.



**Figure 6:** Information Builders IPM in Higher Education Radars

Source: Datamonitor

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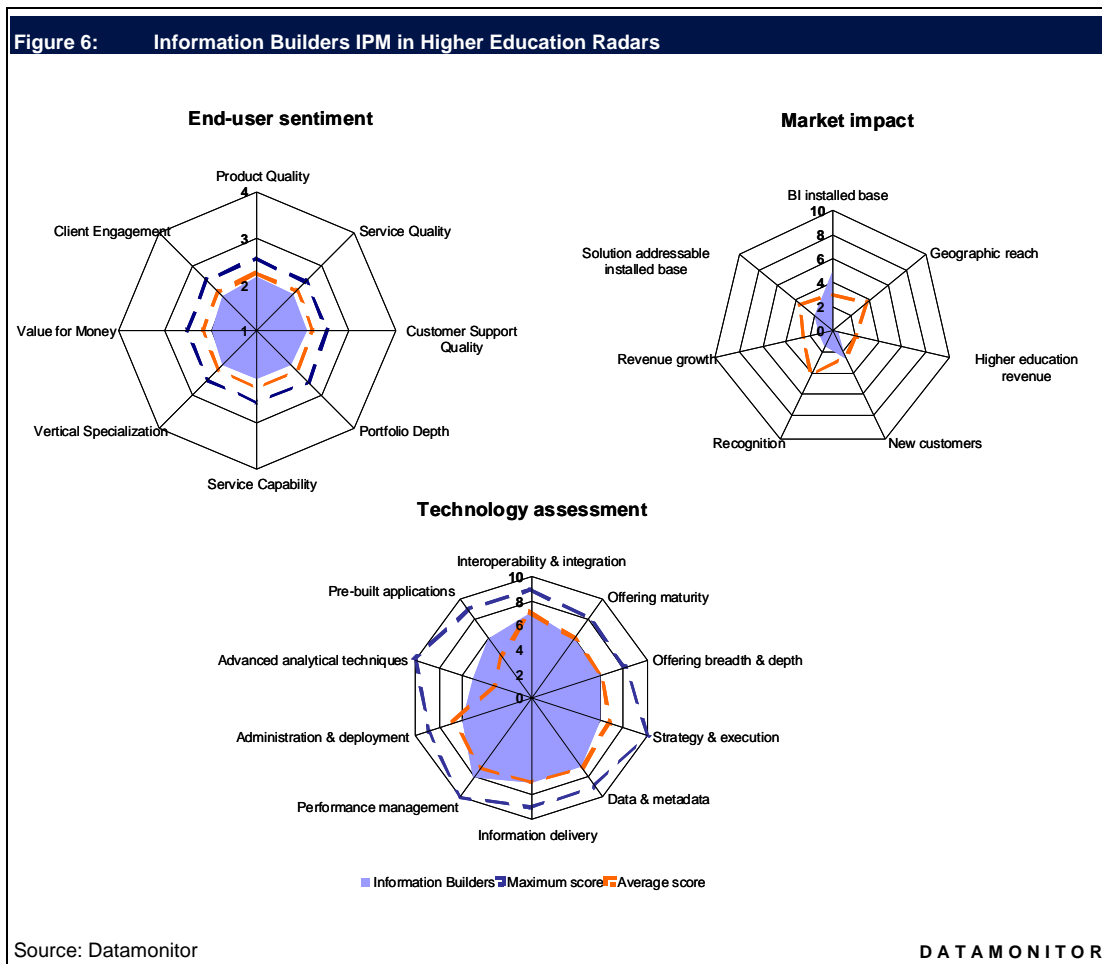
Information Builders began targeting higher education institutions in 2005, making it a relative newcomer to the market. It has been particularly successful with institutions' using SunGard Higher Education's Banner solution, and has cultivated expertise with accessing and manipulating data from this solution. Leveraging this expertise, Information Builders has built

'out of the box' reporting modules for student, finance and human resources. This capability is likely to decrease deployment times and increase the usability of the WebFOCUS solution for institutions using Banner.

Beyond the level of many traditional BI vendors, Information Builders has invested in the development of tools that enable end users to be far more strategic in their consumption and manipulation of institutional data, and thus is positioned as leader in the area of performance management. Utilizing a highly intuitive end-user interface, institutions are able to map performance indicators against their own strategic objectives quickly and easily. Consequently, there are few inhibitors to LOB end users or non-technical users, such as controllers, academic deans and directors of admissions, integrating the usage of data more substantively into their day-to-day decision making, which should be the primary goal of any IPM implementation.

While many IPM vendors have not yet substantively invested in the development of in-house capabilities for predictive analytics, Information Builders has included RStat in its WebFOCUS solution.  Built on the open source R statistical engine, RStat offers institutions robust statistical and data mining capabilities.  As the institutions most likely to be drawn to the strategic functionality of this solution are the same ones to be early adopters of more robust statistical capabilities, Datamonitor believes this investment is likely to bear fruit in higher education market relatively soon for Information Builders.

By offering 15 out-of-the-box higher education-specific reporting templates, Information Builders has made significant progress towards offering a solution that meets the unique needs of institutional end users. Designing reports is a daunting task, particularly amid the chaos of implementing an IPM solution, and thus having access to a set of industry-specific templates in order to 'jump start' this process is a particularly attractive characteristic in an IPM solution.

## Recommendation: consider

Used by a growing number of colleges and universities, WebFOCUS is a comprehensive IPM solution, with a particular strength in turning institutional data into strategic insight, and offering institutions higher education specific tools and functionality. Therefore, Datamonitor believes that institutions should strongly consider Information Builders as a vendor partner when purchasing an IPM solution.

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## iStrategy: IPM in Higher Education Radars

Focused exclusively on meeting the needs of higher education, iStrategy offers a unique set of solutions for managing institutional performance. The HigherEd Analytics Suite is neither a pure IPM nor a BI solution. Instead, it is a set of data warehouses aligned to different areas of the institution and pre-configured for use with specific ERP solutions. This approach deserves inclusion in the IPM Decision Matrix because it offers institutions access to valuable reporting capabilities far more quickly and at a much reduced price point. It should be noted, however, that it is possible to implement the iStrategy solution in conjunction with other BI and IPM solutions.

**Figure 7:** iStrategy IPM in Higher Education Radars



Source: Datamonitor

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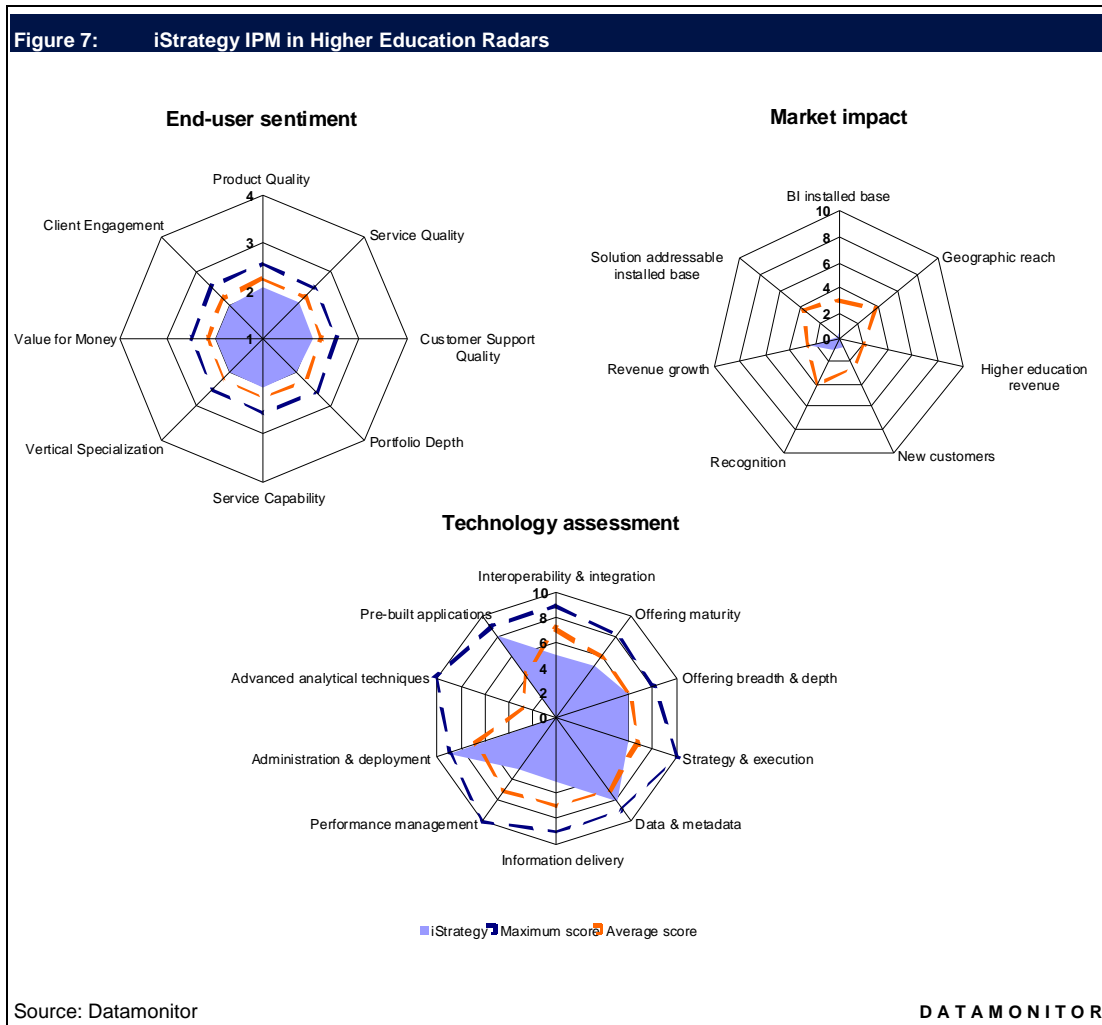
Without question, when it comes to market impact, iStrategy is the 'David' in the 'David & Goliath' story. The firm is relatively new to higher education, having started with a custom project for Gallaudet University in 2002. However, its

strong revenue growth suggests that the HigherEd Analytics Suite is appealing to institutions and, with time, is likely to gain traction in the market. In order to leverage the long-term potential of this growth and establish a loyal installed base, iStrategy must make adequate investments in its support organization and field sales team.

Given its small installed base, it is not surprising that iStrategy is still largely unknown in the higher education market. However, institutions that are familiar with iStrategy give scores across each of the end-user sentiment categories that are middling at best. Datamonitor suspects that these scores are more a result of the ambiguity around where the HigherEd Analytics Suite fits in the IPM solution category rather than a true assessment of its quality. The implementation of a robust communications strategy to dispel some of this misunderstanding is likely to improve the market's impression of iStrategy significantly.

It is somewhat misleading to assess the HigherEd Analytics Suite on capabilities that it doesn't profess or intend to include, and the solution performs the capabilities that it does offer well. Particularly noteworthy are the rapid deployment capabilities of the solution. Institutions are able to begin operations with the applications in roughly three months. As a result, institutions are able to realize a ROI relatively quickly for this solution. Contributing to this capability are the solution's pre-built data models for Oracle and Datatel, and the out-of-the-box reporting modules for student, finance, human resources and advancement. As a result, iStrategy has earned high marks for the technology assessment categories of data and metadata, as well as pre-built applications.

## Recommendation: explore

Utilizing iStrategy's alternative path to accessing reporting and analytics offers institutions the benefit of rapid deployment, and higher-education-specific reporting. While IPM power users may find the HigherEd Analytics Suite somewhat limiting, institutions that are willing to compromise on some functionality in order to have a lower total cost of ownership should explore iStrategy when selecting an IPM solution.

> **DATAMONITOR**

## JasperSoft: IPM in Higher Education Radars

JasperSoft is a leading provider of open source BI, with more than seven million downloads and over 100,000 worldwide deployments of its software solutions. Started as a purely open source solution in 2001, JasperSoft launched its Professional Edition product in 2006. Although JasperSoft only has limited traction in the higher education market, this is likely to change over time as the industry already has a positive philosophical orientation towards open source, so institutions are poised to increasingly adopt these types of solutions in the future. Not surprisingly, higher education is already one of JasperSoft's top three market segments.

**Figure 8:     JasperSoft IPM in Higher Education Radars**



Source: Datamonitor

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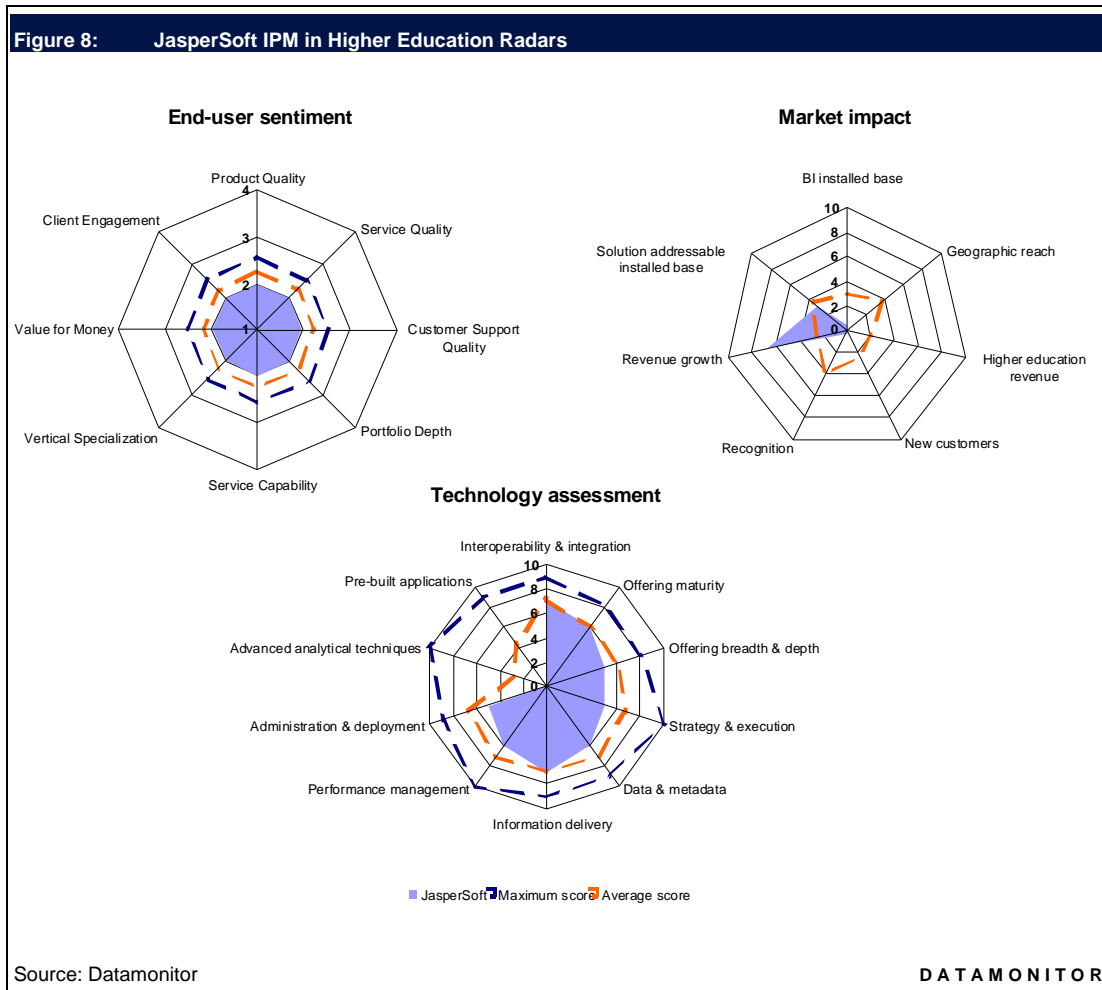
In comparison to other vendors profiled in this report, JasperSoft has a long road ahead of it in terms of bolstering its position in the higher education market. Its commercial product has a small installed base and is relatively unknown by institutional end users. However, even the largest software companies grew from humble beginnings, and given that

JasperSoft is the second fastest growing vendor in this report from a revenue perspective, Datamonitor is cautiously optimistic about its growth trajectory. In order to execute on this potential, it will be critical for JasperSoft to raise its visibility in the market in the coming years.

The JasperSoft Business Intelligence Suite v.3 offers a robust and complete solution to the industry. Given its development in the open source community, it is not surprising that an area of particular strength is the solution's capability for integration and interoperability. This capability is formalized through the availability of a set of APIs to facilitate integration. The BI Suite also offers a useful suite of collaboration and web 2.0 tools that provide end users with a more interactive and meaningful engagement with their institutional data.
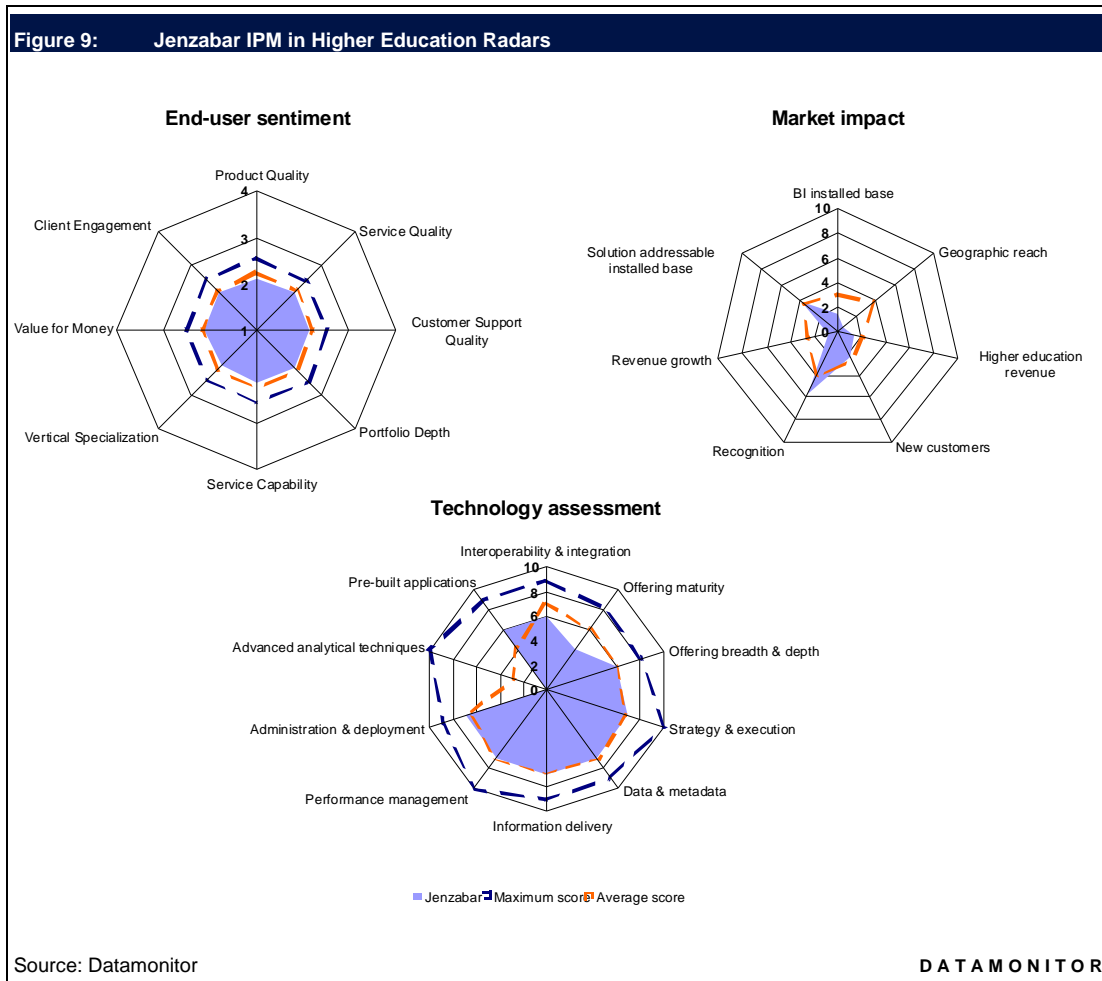
While JasperSoft has made progress with the development of pre-built data models to reduce deployment times and ease implementation, these models target solutions with more broad appeal in the corporate sector. Similarly, JasperSoft has yet to invest in out-of-the-box modules or report templates specifically for the higher education market. The time and resources necessary to implement an IPM solution have been significant impediments to its adoption for many institutions. As a result, Datamonitor recommends that JasperSoft develops industry-specific modules that facilitate the implementation process in order to make its solution accessible to a larger number of colleges and universities.

### Recommendation: explore

As a vendor supporting a commercial version of an open source BI solution, JasperSoft offers a unique and compelling alternative in the higher education market. Datamonitor recommends that institutions craving a higher capability for customization and collaboration, or the ability to 'try before you buy', should explore JasperSoft when selecting an IPM vendor.

### Jenzabar: IPM in Higher Education Radars

Jenzabar has exclusively targeted the higher education market for over twenty years, offering a complete set of administrative, learning and relationship management solutions organized around its $i^3$ Product Strategy—intelligent, integrated and internet. The Campus Intelligence application is Jenzabar's IPM offering to the market. Built using the IBM Cognos BI solution v.8, Campus Intelligence is, for the most part, a service offering wrapped around a horizontal, enterprise-class BI application. As a result, Jenzabar offers its clients an alternative route to accessing the capabilities of the Cognos solution, without compromising on institutional-specificity.



**Figure 9:     Jenzabar IPM in Higher Education Radars**

Source: Datamonitor                                                                                    **D A T A M O N I T O R**

Given Jenzabar's established history in the higher education market, its third highest recognition score among the profiled vendors is not surprising. For similar reasons, the vendor also has the third largest solution addressable installed base of ERP customers, which offers an attractive boost in terms of expanding the reach of its Campus Intelligence solution. As a

North American-focused vendor Jenzabar has only limited geographic reach. While IPM still has considerable room for growth in the US, Datamonitor anticipates that the market will become saturated over the mid- to long-term. Consequently, Jenzabar will need to expand its operations internationally in order to continue growing.

When considering the sentiment of higher education end users, Jenzabar fell in the middle of the pack. Across all of the categories, the company performed somewhat better in areas related to client services, which is encouraging given that Campus Intelligence is fundamentally a service offering. As Jenzabar is taking a somewhat different approach to providing an IPM solution to its client base, it should invest in communicating a clear and consistent message about how this approach is different from commercial off the shelf (COTS) IPM and how institutions will benefit from it. Datamonitor is optimistic that this type of messaging will address potential misconceptions among institutional end users.

Leveraging the IBM Cognos BI solutions and Jenzabar's deep industry knowledge, the Campus Intelligence solution offers institutions a robust set of higher-education-specific functionality. Jenzabar's investment in constructing a user-friendly data model and creating a strong services organization enables institutions to deploy Campus Intelligence rapidly and then maintain it relatively easily. However, as the vendor is essentially building a custom IPM solution for each of its clients, it is difficult to measure the maturity of this approach against out-of-the-box solutions. As the uptake of Campus Intelligence grows among the Jenzabar installed base, these questions will be answered.

## Recommendation: consider

Offering robust reporting and analytics capabilities to its installed base is a high priority for Jenzabar and, as a result, in recent years it has invested considerable resources in the development and support of the Campus Intelligence solution. Therefore, Datamonitor strongly recommends that Jenzabar clients consider Campus Intelligence when selecting an IPM solution.

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### Oracle: IPM in Higher Education Radars

Oracle is a leading provider of technology and applications in the global higher education market. Given the breadth and diversity of products that Oracle brings to the market, it is difficult mention them all. However, Campus Solutions is the core of its offering to the higher education market. While PeopleSoft originally developed Campus Solutions, since the acquisition, it has been fully extended into Oracle's larger suite of applications. Consequently, Oracle's enterprise performance management (EPM) solution offers institutions the unique ability to draw from one of the most complete technology platforms on the market.



**Figure 10:    Oracle IPM in Higher Education Radars**

Source: Datamonitor

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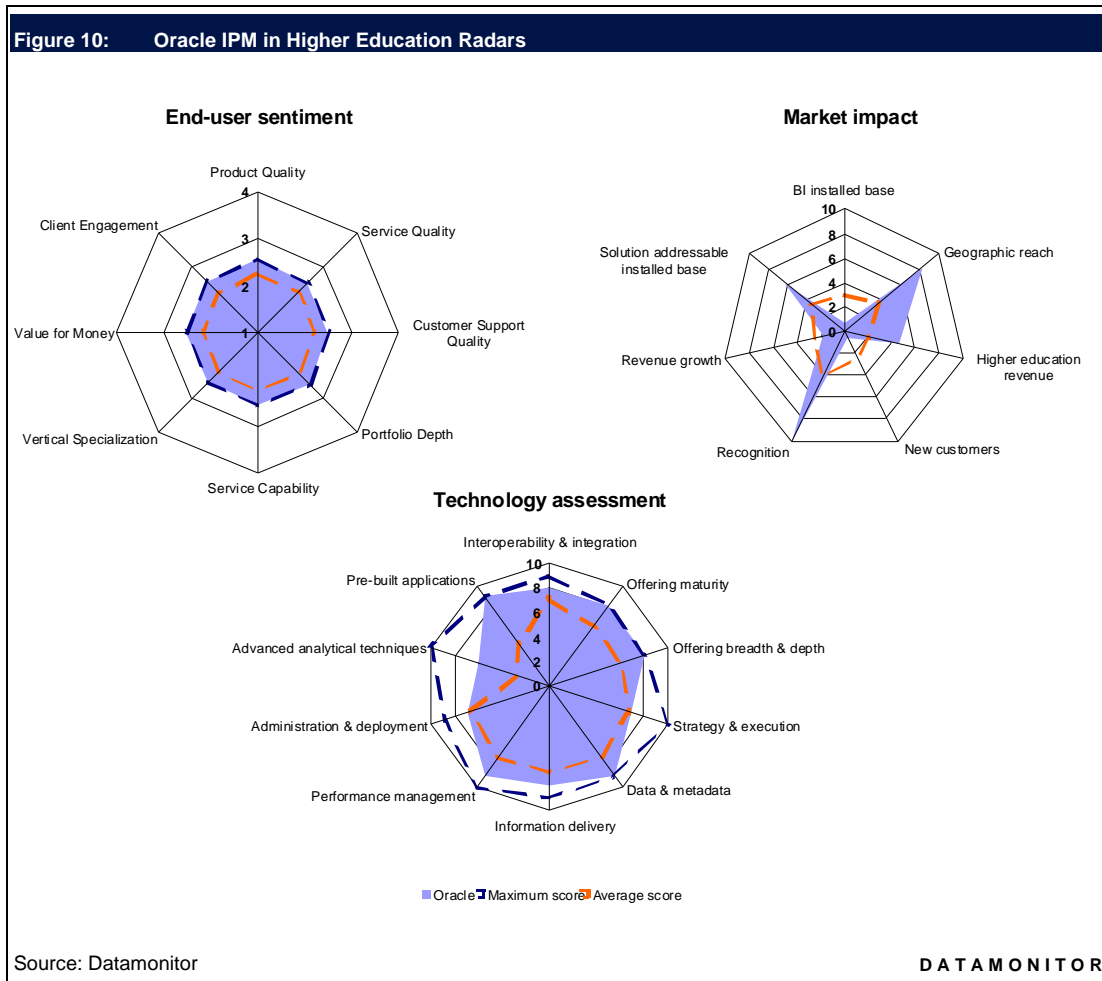
Among the vendors considered in this report, Oracle has the third largest impact on the higher education market. Its solutions are used at colleges and universities around the globe, and its products are recognized as being among the best available. This position is clearly evidenced by its top three scores in the areas of recognition, geographic reach, higher

education revenue, and solution addressable installed base. Given Oracle's considerable investment in and long-standing commitment to the higher education industry, these results are unsurprising.

While Oracle's reputation has traditionally been somewhat mixed in the higher education market, the uniformly high end-user sentiment scores suggest that a change has occurred. Oracle received the top overall end-user sentiment score, receiving a top three rating in every area and the top score in six of the eight categories. As its highest scores were in the areas of product quality and portfolio depth, it is apparent that the market recognizes the strength and comprehensiveness of the Oracle platform.

Oracle's EPM solution is a robust offering that enables institutions to utilize cutting-edge features and functionality without compromising on higher education specificity, or end-user accessibility. Consequently, Oracle earned the highest overall technology assessment score, earning high marks in nine out 10 categories. Particularly noteworthy areas include performance management capabilities and pre-built applications. As its name suggests, the EPM solution focuses on delivering planning and forecasting capabilities so that end users have the tools to manage their institutions more effectively. Leveraging its considerable industry knowledge, Oracle has developed a series of out-of-the-box modules for HR, finance, CRM and Campus Solutions so that institutions realize an ROI far more rapidly.

While EPM has one of the more developed capabilities for advanced analytics, there is still room for improvement. Over the mid- to long-term, institutions will become more skilled with using data, driving a growing appetite for these capabilities. Oracle's more sophisticated installed base is likely to have this appetite earlier than the wider market, and will expect it to be available. Datamonitor also suggests that Oracle considers moving away from its dependence on third-party vendors for professional services and expand its services group. Institutions in the higher education market expect their trusted vendor partners to be with them throughout the implementation process.

## Recommendation: shortlist

Oracle's EPM solution offers the higher education market a complete and robust package of features and functionality for managing institutional performance, while addressing institutions' unique needs for industry specificity and out-of-the-box capabilities. Consequently, Datamonitor highly recommends that institutions shortlist Oracle when considering the purchase of an IPM solution.

### Pentaho: IPM in Higher Education Radars

Pentaho is a leading provider of open source BI solutions and uses a commercial model. Founded in 2005, the vendor recently launched v2.0 of its BI Suite Enterprise Edition. From a horizontal perspective, there is considerable interest in the Pentaho solution, with the free community edition having registered more than three million downloads since 2005. Yet, the degree to which Pentaho has translated this interest into commercial traction in the higher education market is somewhat limited. This is not necessarily an immediate concern, as higher education's positive orientation to open source and its growing facility with supporting these solutions bodes well for Pentaho's future in the market.



**Figure 11:    Pentaho IPM in Higher Education Radars**

Source: Datamonitor
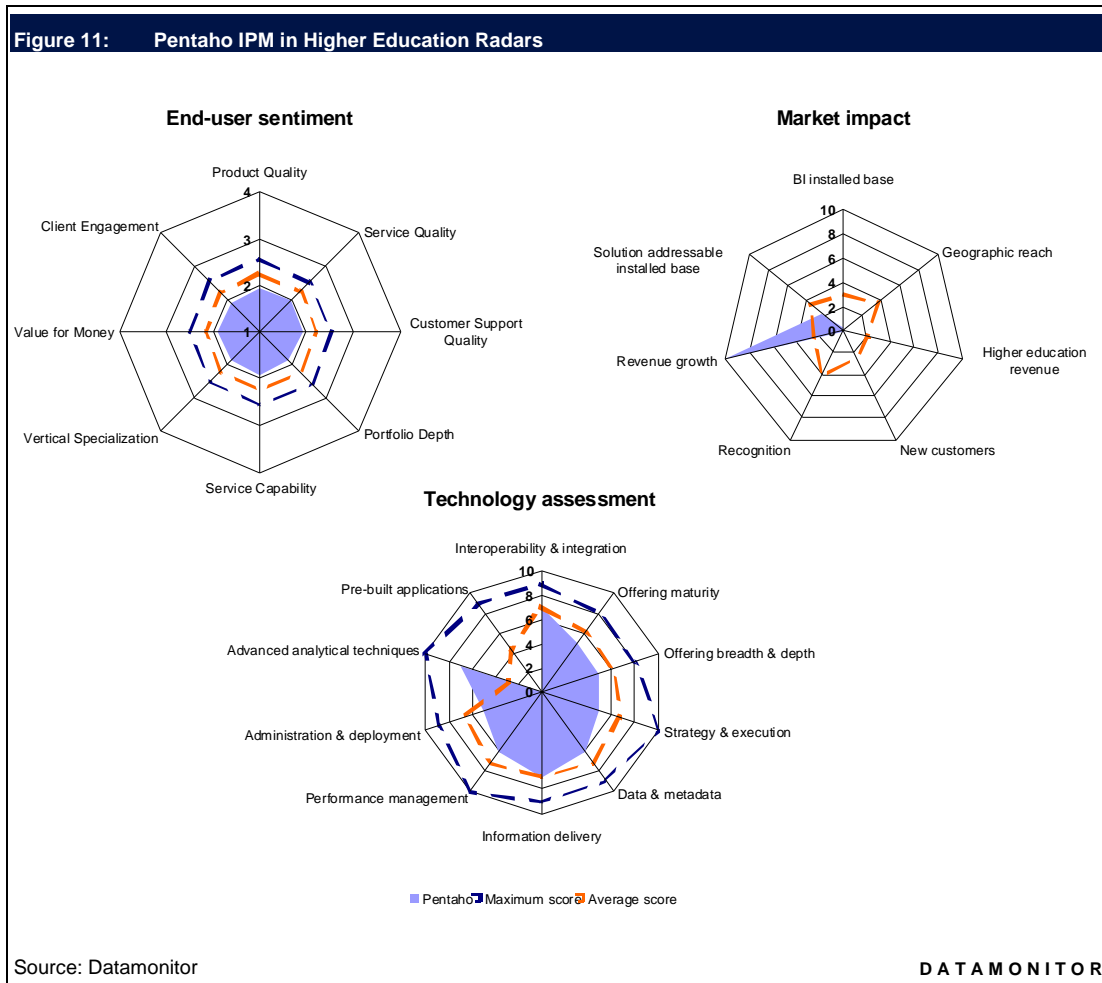
**D A T A M O N I T O R**

Pentaho is a largely unknown IPM solution provider in the higher education market, yet with its robust revenue growth, Datamonitor anticipates that given investment and focus, its low visibility is likely to change over the short- to medium-term. However, as well as extending its brand recognition, Pentaho must also increase the overall reputation of its solution. In

addition to having a low recognition score, Pentaho also received relatively low marks in each of the end-user sentiment rankings. As Pentaho seeks to increase its visibility in higher education, care should be taken to include information in the messaging regarding the benefits of the open source approach to the overall quality of the solution.

Regardless of market perceptions, the BI Suite Enterprise Edition is a quality solution that provides real value to institutions. Coupling its open source roots with SOA-enablement, the solution offers powerful tools to facilitate integration and interoperability. Moreover, as Pentaho has focused on the development of rich Web 2.0 capabilities and the ability to deliver reports through multiple channels, its solution delivers information to end users in flexible and compelling ways. Of all the vendors profiled in this report, Pentaho is a true stand-out in the area of advanced analytics. In partnership with the University of Waikato, Pentaho supports the WEKA data mining project and the BI Suite Enterprise Edition has been enhanced with functionality from this project. Consequently, institutions have the capability to 'peek around the corner' when it comes to understanding the impact of their decisions.

Although Pentaho has made considerable progress in the short time it has been on the market, there are still areas for improvement. As colleges and universities struggle with the deployment and maintenance of IPM solutions, they would find the BI Suite Enterprise Edition more attractive if it included pre-built modules specific to higher education, in order to assist with rapid integration and deployment. Additionally, end users would benefit from a more robust services offering from Pentaho, particularly during the development and implementation phases.

### Recommendation: explore

As a commercially-supported open source solution provider, Pentaho offers institutions a highly configurable IPM solution at an attractive price point. Consequently, Datamonitor recommends that institutions that value high degrees of flexibility over out-of-the-box higher-education-specific functionality should explore Pentaho when selecting an IPM solution.

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## SAP: IPM in Higher Education Radars

With operations in nearly every country and industry, SAP is one of the world's largest IT solutions providers. Offering a comprehensive suite of tools and applications to support the needs of organizations to manage their internal processes, client relationships and data more effectively, SAP has earned a reputation as a total solutions provider. As a result, end users of the SAP BI Suite benefit from the solution's tight relationship with the underlying sources of institutional data. While the integration of the recently acquired Business Objects solution will likely require time to mature, it brings more sophisticated functionality and an attractive end-user interface.



**Figure 12: SAP IPM in Higher Education Radars**

Source: Datamonitor

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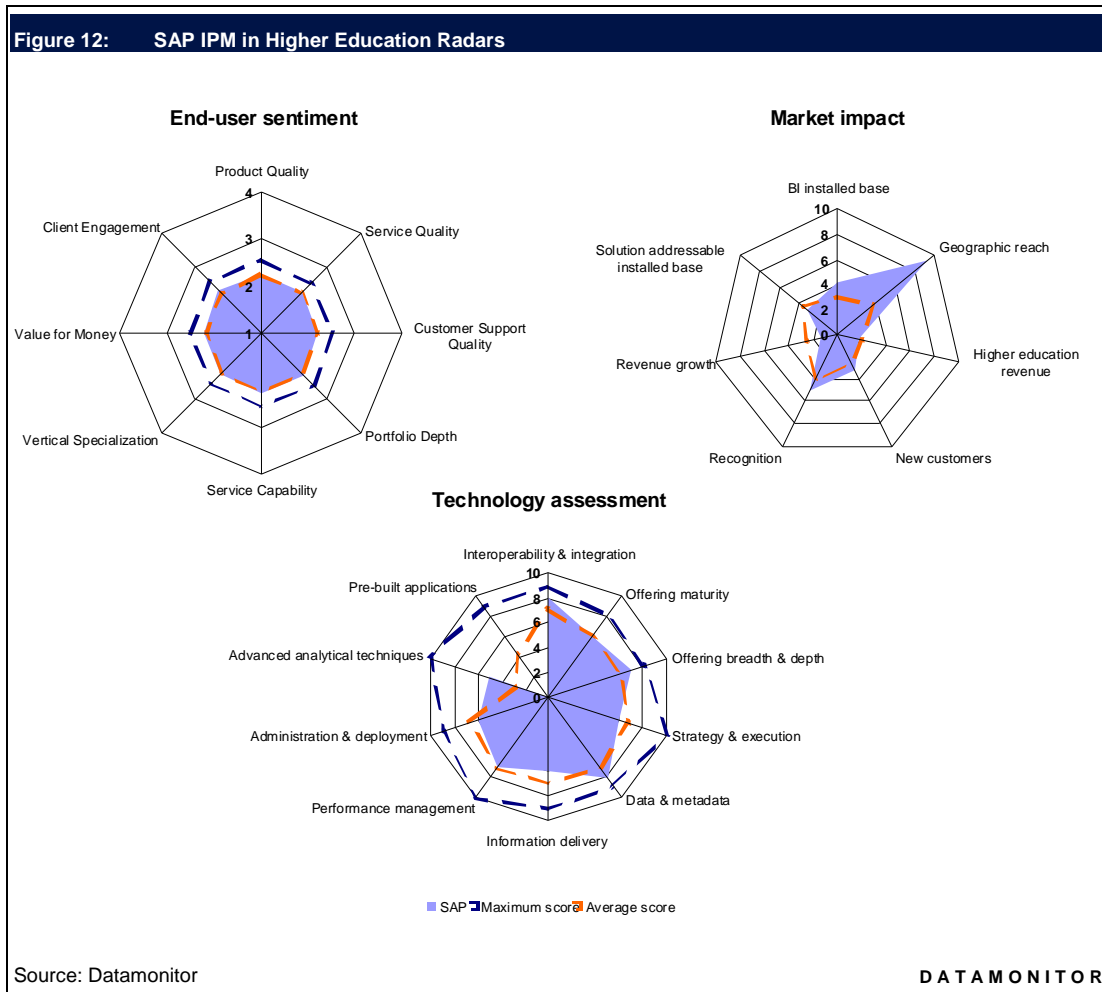
While well-known and respected among institutions, SAP has not competed as effectively in the higher education market with vendors that it typically goes head-to-head with in other industries. It is important to realize that while SAP may not have a large end-user community in the US, it does have such a community on a global basis, as evidenced by having the

second largest geographic reach and third largest revenue attributable to higher education of all the profiled vendors. Datamonitor believes that as the pace of globalization in the sector quickens, having the ability to draw expertise and insight from a large global base of institutional end users will be a particularly valuable asset for SAP. In the past year, the number of institutions using the SAP BI Suite has risen dramatically, earning the company the third highest ranking for new customers, which indicates that the SAP installed base recognizes the value of investing in this solution.

While SAP did not break into the leaders' circle in terms of its end-user sentiment scores, it was ranked fourth or fifth highest in every category. The survey sample drew predominately from the US, which may have placed SAP at a disadvantage, as the opinions of its most ardent and established institutional supporters were not captured. Overall, however, the message is clear; the market recognizes SAP as an established and professional vendor, which understands the unique needs of higher education institutions, and has strong solutions.

Without question, SAP delivers a robust and sophisticated IPM solution to the higher education market. Positioned as a leader in three of the 10 technology assessment categories, the SAP BI Suite has particularly strong capabilities in the areas of integration and interoperability, offering breadth and depth, and data and metadata. The combination of SOA-enablement, an intimate understanding of the underlying data sources, and pre-built extractors for third-party vendors facilitates institutions using data in a far more nimble and proactive manner.

Unfortunately, the SAP BI Suite has only limited higher-education specificity. As a result, implementing this solution will require more development and configuration work than is the case with solutions that include higher education modules and reporting templates. However, institutions with unique needs, or the desire for considerable flexibility in an IPM solution, may find this absence in the SAP solution to be an attractive rather than a detracting characteristic.

## Recommendation: consider

The SAP BI Suite is a sophisticated IPM solution offering a complete set of tools and capabilities that institutions are likely to find attractive for managing their institutional performance. Consequently, Datamonitor recommends that institutions, particularly those already invested in using SAP solutions, consider the SAP BI Suite when selecting an IPM solution.

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### SPSS: IPM in Higher Education Radars

SPSS is a leading provider of predictive analytics software solutions to business and industry, as well as to individuals. While many users are familiar with SPSS from their university statistics courses, this vendor also offers an enterprise-class analytics solution for manipulating organizational data. Without question, the SPSS Predictive Analytics solution is not a true IPM solution and does not pretend to be one. Its capabilities, however, are unique within the competitive landscape and, as the institutional demand for sophisticated analytics grows, will be increasingly necessary to colleges and universities. As a result, Datamonitor believes that it is valuable to assess this vendor within the IPM category.



Figure 13: SPSS IPM in Higher Education Radars

Source: Datamonitor

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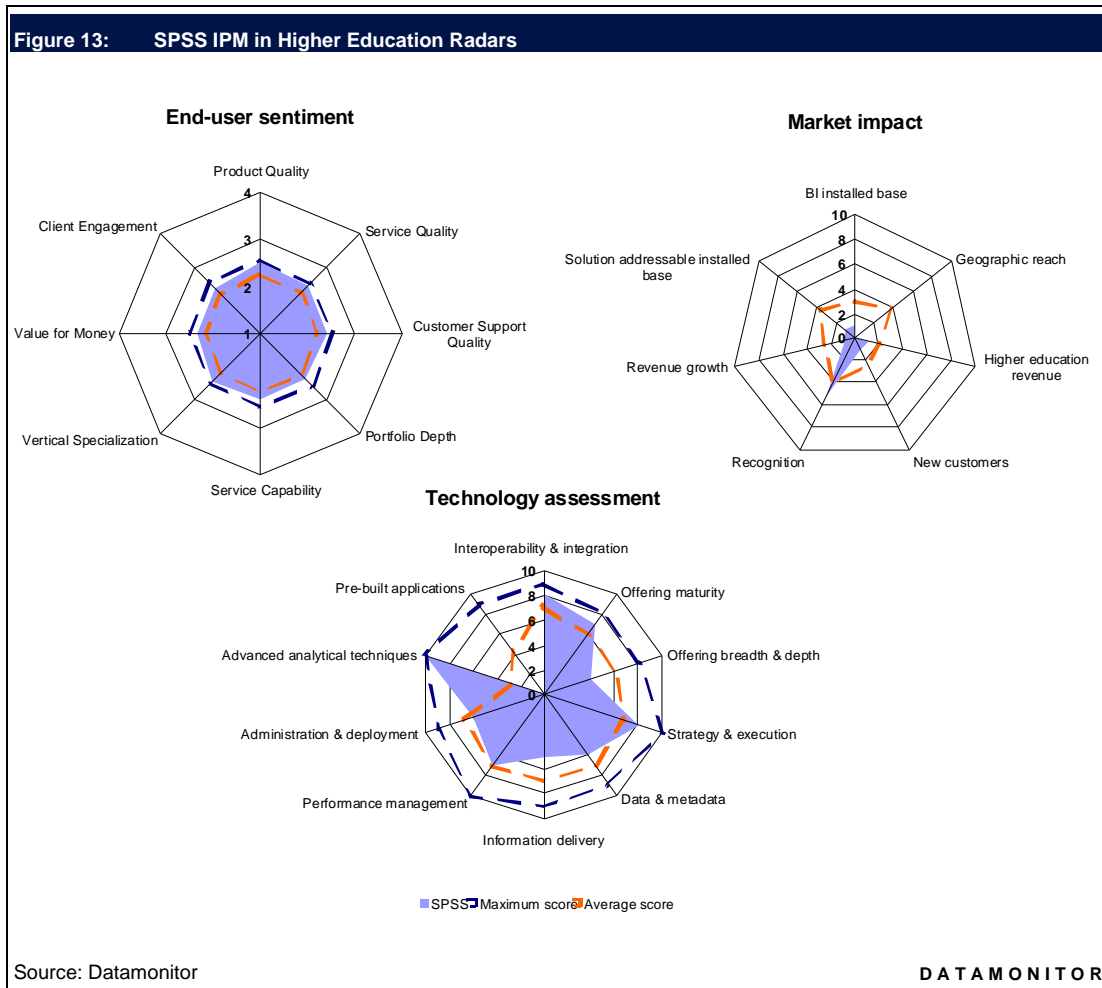
In comparison to other vendors profiled in this report, particularly those supporting other industries in addition to higher education, SPSS is niche vendor. Consequently, its ability to impact higher education is somewhat limited from an IPM perspective, giving it a low market impact score. However, as SPSS is used in nearly every university statistics laboratory,

it has considerable visibility and recognition among educators, receiving the fourth highest score. This recognition serves as one of SPSS's greatest strengths, although it also presents a potential obstacle. Institutions already trust SPSS to provide the most robust tools for statistical analysis and are likely to transfer this trust to the Predictive Analytics solution. The challenge is whether SPSS can position its solution as being accessible to a broader end-user base than institutional research. Datamonitor is optimistic that SPSS will make this transition in the higher education market, and as institutions require more powerful analytical tools they are likely to think of SPSS first.

Institutions are consistently positive about SPSS, providing it with a top three score in all of the end-user sentiment categories. Given its strong brand and quality product, these scores are unsurprising. It is also important to recognize that SPSS has made a significant investment in developing a strong services organization, which has probably contributed to the market's high esteem for SPSS's product. A quality services offering helps institutions to realize the most value from their solution, particularly in the case of IPM, where end users are learning both how to use the solution and what to do with it. As a result, SPSS received the second highest score for the technology assessment's strategy and execution criterion.

Even though SPSS is at a disadvantage in these rankings when placed against IPM vendors, the capabilities of its solution overcame this challenge in many regards. As its name suggests, Predictive Analytics has the most complete advanced analytics capability of all the vendors profiled in this report. Over the mid- to long-term this functionality will become a 'must-have' for institutions seeking to manage their performance more effectively and SPSS is well-positioned to support this need. Additionally, as Predictive Analytics is SOA-enabled and supports a heterogeneous environment, it earned high marks for integration and interoperability. Moving forward, however, SPSS should develop higher education-specific functionality to facilitate the deployment of Predictive Analytics and increase its accessibility to a more diverse group of potential end users.

## Recommendation: explore

SPSS's Predictive Analytics solution dramatically increases an institution's ability to leverage its own data for realizing insight into its performance. Consequently, Datamonitor strongly recommends that institutions seeking a more sophisticated analytics capability should explore SPSS when selecting an IPM solution.

### *SunGard Higher Education: IPM in Higher Education Radars*

SunGard Higher Education is a leading provider of technology and services to the higher education market. Historically, many in higher education have associated this vendor exclusively with its flagship Banner ERP solution but SunGard Higher Education also has a thriving managed services group, and a comprehensive product suite. In 2007, SunGard Higher Education announced its new Banner Enrollment Management Suite, taking its existing Performance Management solutions in a new and exciting direction. Performance management capabilities would now be integrated into the solutions supporting end users' day-to-day transactions and interactions, rather than existing in a separate and distinct application.



**Figure 14:      SunGard Higher Education IPM in Higher Education Radars**

Source: Datamonitor

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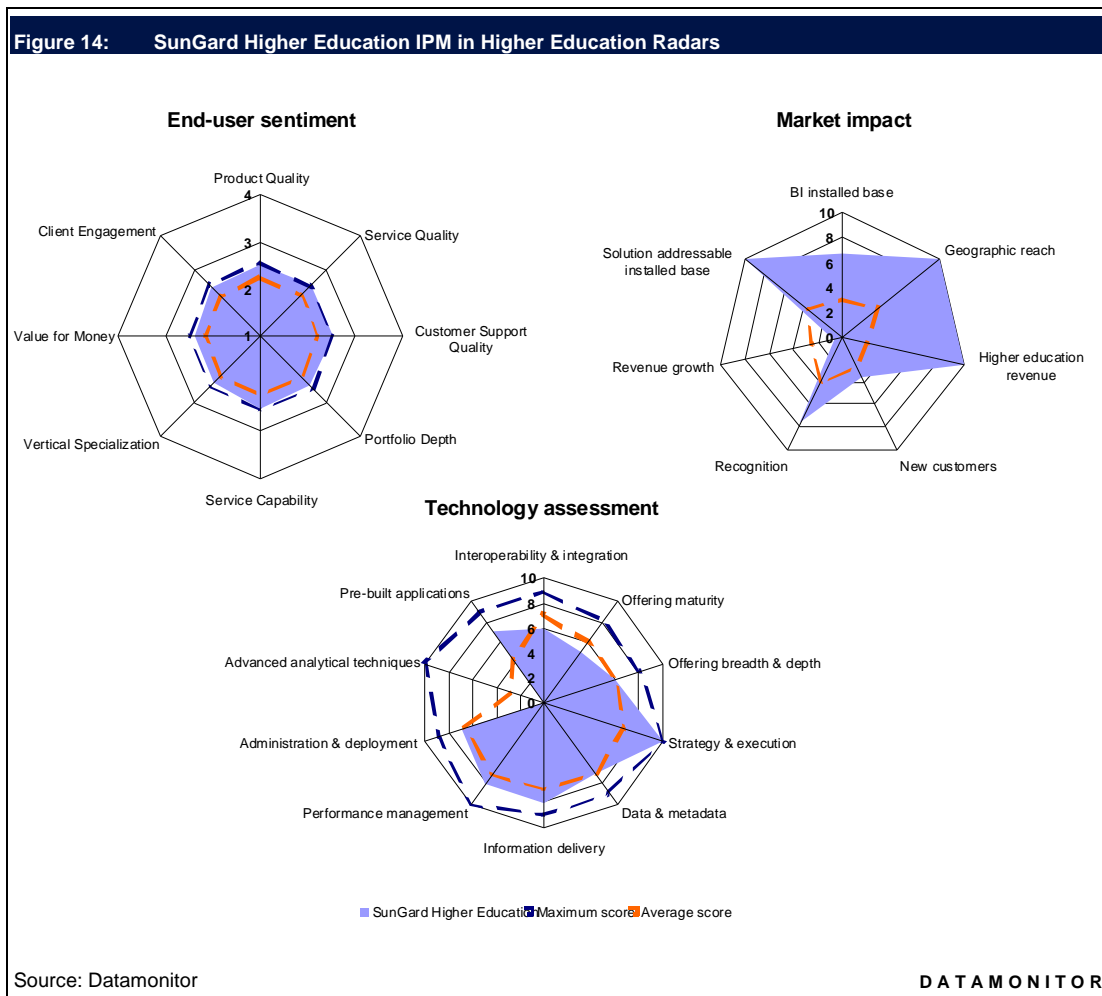
SunGard Higher Education is a highly influential player within the competitive landscape for higher education technology and earned the highest overall market impact score of all the vendors profiled. It has the largest solution addressable installed, geographic reach and annual revenue attributable to higher education. Moreover, SunGard Higher Education has

earned top three scores in the areas of BI installed base, new customers and recognition. While SunGard Higher Education's considerable impact on the market makes it a daunting competitor for IPM solutions, this influence also provides it with a great deal of influence when communicating the importance of this solution area. SunGard Higher Education's messaging regarding IPM is likely to reach every institution and will benefit every vendor of such solutions.

With a comprehensive product suite and strong services offering, it is not surprising that SunGard Higher Education earned high praise from end users. In each of the eight end-user sentiment categories, SunGard received a top three score, but in the areas of service quality and customer support quality, end users rated it as the number one vendor in the IPM market. A long-standing commitment to understanding the needs of higher education and cultivating close relationships with its clients explains, at least in part, SunGard's high scores in these areas.

The solutions supporting the new approach to performance management are only partially rolled out, with the module for recruiting and admissions in general availability, and retention slated to launch in 2009. Advancement is also included in the product roadmap, but a launch data has yet to be announced.  Consequently, it is too soon to offer an accurate evaluation in a number of the technology assessment categories. Nevertheless, evidence suggests that there is good reason to be optimistic. Within the Recruitment & Admissions Performance Management module, scorecards use natural language to indicate progress against an institution's strategic goals and objectives, taking an important step beyond 'traffic lights' by offering insight into how performance impacts the overall direction of the institution. Anticipating the challenge of using data in this new way, SunGard Higher Education has developed a robust set of professional services to ease the transition and help institutions to make the best use of their own data.

Although, Datamonitor appreciates the direction that SunGard Higher Education is taking with IPM, the solution does not yet offer a complete set of tools for managing performance across the institution. It will be important for SunGard to deliver subsequent modules and capabilities on time, and to specification. Moreover, the inclusion of advanced analytics, pre-configured for higher education, would offer significant value to institutions with more sophisticated IPM strategies.

### Recommendation: shortlist

By deeply embedding IPM capabilities within the daily activities of LOB end users, and tying information delivery to overarching goals and objectives, SunGard Higher Education is taking an innovative approach with its Performance Management suite of solutions. Consequently, Datamonitor strongly recommends that institutions shortlist SunGard Higher Education when considering the purchase of an IPM solution.

## APPENDIX

### Summary scores

| Table 3: | IPM in Higher Education Decision Matrix – vendor scores summary | | |
|---|---|---|---|
| **VENDOR** | **TECHNOLOGY ASSESSMENT** | **END-USER SENTIMENT** | **MARKET IMPACT** |
| Cognos-IBM | 7.2 | 2.3 | 5.5 |
| Information Builders | 6.4 | 2.1 | 1.8 |
| iStrategy | 5.7 | 2.0 | 0.7 |
| JasperSoft | 4.7 | 2.0 | 1.5 |
| Jenzabar | 5.7 | 2.1 | 2.2 |
| Oracle | 7.9 | 2.5 | 4.6 |
| Pentaho | 5.3 | 1.9 | 1.8 |
| SAP | 5.9 | 2.2 | 4.0 |
| SPSS | 6.1 | 2.4 | 1.4 |
| SunGard Higher Education | 6.4 | 2.5 | 6.9 |

Source: Datamonitor                                                                            **D A T A M O N I T O R**

### Datamonitor ratings

- **Shortlist** – these vendors' products and services should always be place on an institution's shortlist for IPM in higher education technology selection. This category represents the leading solutions that Datamonitor believes to be worthy of a place on most technology selection shortlists. The vendor has established a commanding market position with a product that is widely accepted as best of breed.

- **Consider** – the vendors in this category have good market positioning, and are selling and marketing the product well. The products offer competitive functionality and good price/performance, and should be considered as part of the technology selection process.

- **Explore** – solutions in this category have less broad applicability, and may have limitations in terms of the product's functionality, or the vendor's execution capability. However, they will still be suitable to meet specific requirements, and may be worth exploring as part of the technology selection process.

### Abbreviations

**BI** – business intelligence

**CRM** – constituent relationships management

**ERP** – enterprise resource planning

**IPM** – institutional performance management

**LMS** – learning management solution

**LOB** – line of business

**ROI** – return on investment

**SIS** – student information system

**TCO** – total cost of ownership

## *Extended Methodology*

Datamonitor assesses IPM in higher education vendors based on three core criteria, each of which consists of between seven and 10 specific criteria. Taken together, these criteria serve as the basis for Datamonitor's positioning of vendors as shortlist, consider, or explore in the competitive landscape for IPM in the higher education market.

### Technology Assessment

Datamonitor analysts assign vendors a score from one to 10 for each of the 10 assessment criteria, whereas the overall technology assessment is determined by taking the average of these 10 scores. The 10 technology assessment criteria used for the IPM in higher education market include:

- **Interoperability and integration** – the ease and extent with which a technology offering can exist, interface, combine, and work with the products, services, and solutions from other vendors. Within the IPM sector, interoperability and integration are very important factors, as information workers seek to access, assimilate, analyze, reuse, publish, and act upon information from a variety of data sources.

- **Offering maturity** – the extent to which an offering has developed in comparison to similar offerings on the market. IPM vendors generally offer a range of discrete products and it is important to consider the maturity of the whole as well as the parts.

- **Offering breadth and depth** – the extent to which an offering meets business requirements across a range of institutional needs. The category includes: reporting services, query services, data warehousing and analysis.

- **Strategy and execution** – in this category, the many aspects of a vendor's BI strategy are assessed, as well as its ability to execute against that strategy. Vendor capability features are measured, including financial stability, training options, support policies and maintenance options, as well as deployment services and implementation partners.

- **Data and metadata** – looks at out-of-the-box data quality, ETL tools and pre-built data models. It also assesses support for third-party data quality and ETL tools.

- **Information delivery** – considers how well the solution supports the notion of 'information at your fingertips'. Many institutions excel at data collection, but it is through IPM's information delivery capabilities that this data becomes actionable information. This category also evaluates collaboration capabilities.

- **Performance management** – evaluates the specific set of IPM applications that help colleges and universities to optimize institutional performance, and focuses on institutional processes such as planning and forecasting.

- **Administration and deployment** – covers the capability of the solution to be deployed rapidly and maintained, and/or administered by a small number of IT staff or even line of business users.

- **Advanced analytical techniques** – identifies those solutions catering to advanced use of IPM technology. This category is becoming increasingly important for early adopters wishing to build upon their initial IPM investments.

- **Pre-built applications** – admissions, retention, development, budgeting and course registration are just some of the pre-built applications being offered by IPM vendors. This category takes note of modules, reports, KPIs and scorecards that are designed specifically for the needs of higher education institutions.

### End-user Sentiment

As part of each technical assessment, Datamonitor surveyed nearly 400 end users of IPM in the higher education market across the US, drawn from the readership of University Business Magazine. These end users were asked to rate the technology vendors they work with; Datamonitor analyzes the results and provides an average rating in each of the following categories.

- **Product quality** – the enterprise's perception of the quality of the vendor's products.

- **Customer support** – the quality of the vendor's business/technical support offerings.

- **Service capabilities** – the quality of a vendor's particular services offerings (consulting, integration, maintenance and management).

- **Vertical specialization** – the extent to which the vendor offers industry-specific solutions and expertise.

- **Portfolio depth** – the enterprise's perception of the depth of the vendor's product portfolio.

- **Service levels** – the quality of a vendor's service level agreements (SLAs) and its ability to meet them.

- **Client engagement** – the effectiveness of the vendor's sales-force and the enterprise's perception of its channel to market.

- **Value for money** – how competitively the solution is priced compared to its peers and the perceived value to customers.

### Market Impact

Datamonitor analysts use data collected through primary and secondary research to determine a vendor's global market impact. Market impact is measured across seven categories, each of which has a maximum score of 10:

- **IPM installed base** – the number of unique named institutions having purchased the vendor's IPM application is calculated as a percentage of the market leader, multiplied by 10 and then rounded up to the nearest integer.

- **Geographic reach** – the number of unique named institutions a vendor has under contract outside of the US is calculated as a percentage of the market leader, multiplied by 10 and then rounded up to the nearest integer.

- **Higher education revenue** – revenue attributable to the higher education industry vertical is calculated as a percentage of the market leader for each vendor, multiplied by 10 and then rounded up to the nearest integer.

- **New customers** – the number of new unique-named institutions that each vendor brought under contract in 2007 is calculated as a percentage of the market leader, multiplied by 10 and then rounded to the nearest integer.

- **Recognition** – as part of the survey of roughly 400 end users, respondents are asked to select companies that they believe to be market leaders. The number of nominations that a vendor receives is calculated as a percentage of the vendor with the highest number of nominations, multiplied by 10 and rounded up to the nearest integer.

- **Revenue growth** – each vendor's revenue growth rate over the last 12 months is calculated as a percentage of the fastest growing company in the market, multiplied by 10 and then rounded up to the nearest integer.

- **Solution addressable installed base** – the number of unique named institutions using at least one of the vendor's applications, such as a student information system (SIS) or enterprise resource planning (ERP), is calculated as a percentage of the market leader for each vendor, multiplied by 10 and then rounded up to the nearest integer.

## Sources

- **Financial analysis –** an analysis of vendors' financial performance, taken from annual and quarterly reports, investor presentations, as well as a variety of secondary sources.

- **Customer survey** – a survey of nearly 400 institutional IT managers and CIOs.

- **Technology analysis –** comprehensive product demonstrations and corporate briefings.

## Further reading

Datamonitor (2008) *Global Education IT Forecast, 2007 – 2013*, IMTC0303, June 2008

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We hope that the data and analysis in this brief will help you make informed and imaginative business decisions. If you have further requirements, Datamonitor's consulting team may be able to help you. For more information about Datamonitor's consulting capabilities, please contact us directly at consulting@datamonitor.com.

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