

Magic Quadrant for PC Life Cycle Configuration Management, 2005

Gartner RAS Core Research Note G00131185, 17 October 2005, Ronni J. Colville, Michael A. Silver, R1580 05052006.

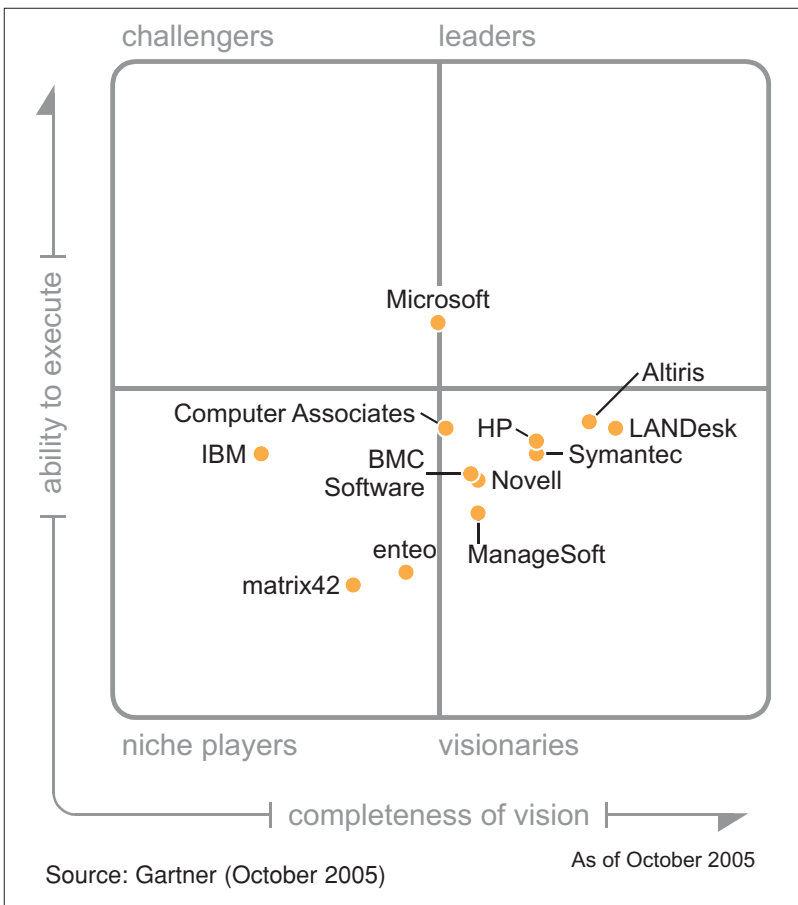
The PC life cycle configuration management market includes many capable vendors and products. But significant competition and risk prevent any vendor from being placed in the Leaders quadrant.

WHAT YOU NEED TO KNOW

Customers should focus on current needs for inventory, software distribution and patching, but should select a vendor that has a broad plan for managing the life cycle of a PC configuration. Large players continue to force prices and margins down, so we expect further consolidation to occur within this market and from markets outside of configuration management, such as storage, IT operations management, IT service management and security.

MAGIC QUADRANT

Figure 1. Magic Quadrant for PC Life Cycle Configuration Management, 2005



Market Overview

Buyers have been asking for PC life cycle management products, software that can do everything from preparing a PC for its first use to preparing it for disposal and everything in between, for nearly five years. And they've been buying products that claim to do just that. But when we talk to organizations about what they've actually deployed, the answers are generally the same as they were five years ago: Actual implementation is still predominantly for core management functions like inventory, software distribution (SD), and newly added patch management. The inability of customers to fully implement life cycle does not necessarily indicate that the products don't work for this function. In many cases it more likely reflects the customers' lack of policy, lack of process, lack of dedicated human resources, and lack of focus on packaging their applications, which prepares them for automated deployment.

Market Definition/Description

Previous Magic Quadrants focused on SD with the associated modules that were, in fact, life-cycle-oriented. This new Magic Quadrant changes the focus to full life cycle needs because buyers have been demanding broader, more complete suites. We expected that we would see clear differences among the vendors, but the products wound up being more similar than dissimilar. This is indicative of a maturing market. While each individual function is still important in evaluations (for example, SD or inventory), the breadth and depth of each suite (number and quality of life cycle management functions) increased in importance. Some vendors have added internally developed modules to broaden to a life cycle suite, and some have done it through partnerships or acquisitions. Most vendors have implemented interfaces to help automate deployment and migrate users to new PCs, and vendors that do not own technology for

certain functions have drastically improved their interfaces to leading products and have implemented workflows to simplify the management process and help users along. This is represented by the relatively concentrated grouping that appears on the Magic Quadrant.

However, user organizations usually have a specific focus that will place one vendor above the others on a shortlist. This focus can be any single function – designated by the immediate project at hand, such as using inventory for audit readiness or patch management to reduce potential vulnerabilities – or the choice can be determined by budget constraints.

Inclusion and Exclusion Criteria

For inclusion in this year’s Magic Quadrant, vendors must be able to prove that their products span the needs of small and midsize businesses (SMBs), as well as large enterprises. We have required them to submit at least three references of companies with fewer than 5,000 users and at least three with more than 30,000 users. Vendors that cannot prove that their products are easy enough for smaller companies to use yet scalable enough for large ones are not placed on the Magic Quadrant. While the vendors on this Magic Quadrant have offered references for these requirements, most vendors are still better-suited for organizations within a certain range of sizes because their sales and support organizations are oriented towards smaller or larger organizations, or their solution architecture is more oriented toward one or the other.

Another requirement to be included in the Magic Quadrant is that the product must include modules for inventory/discovery, SD, and at least four of the following other features: operating system (OS) deployment, data/settings migration, software packaging with conflict resolution, software license usage, patch management, remote control, client PC backup, security configuration management (CM) with security context, and disposal (data overwrite).

Evaluation Criteria Ability to Execute

This is the vendor’s ability to market and sell its products and the company’s financial position and stability. This is NOT a rating of how well or how poorly customers are able to implement or execute the product. A company that captures 100 percent of a market with a product that does not work at all would be very high in its execution rating and very low (far left) in its vision rating. That being said, we are taking a decidedly harsh look at vendors’ ability to execute. The market for desktop CM products has consolidated over the past five years, and we expect it to continue to consolidate. Microsoft dominates this market, with Systems Management Server (SMS) holding over 40 percent of the installed base. Microsoft held a dominant position before SMS 2003 shipped, even though its prior offering had a poor reputation. Now that it has a product that its customers are generally happy with, competition is getting tougher – especially with accelerated sales due to its inclusion in many enterprise agreements. Many vendors have been appearing on fewer shortlists this year, and prices have been declining. We believe many of the acquired products are more frequently being sold by their new parent companies within the installed bases of their other products and are finding narrower audiences.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	standard
Overall Viability (Business Unit, Financial, Strategy, Organization)	low
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	standard
Marketing Execution	no rating
Customer Experience	standard
Operations	standard

Source: Gartner

© 2005 Gartner, Inc. and/or its Affiliates. All rights reserved. Reproduction of this publication in any form without prior written permission is forbidden. The information contained herein has been obtained from sources believed to be reliable. Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Gartner shall have no liability for errors, omissions or inadequacies in the information contained herein or for interpretations thereof. The reader assumes sole responsibility for the selection of these materials to achieve its intended results. The opinions expressed herein are subject to change without notice.

Completeness of Vision

We evaluated completeness of vision by looking at product capabilities and visionary features for managing the complete life cycle for desktop configuration. We rated all the products based on the features and functions they include, along with the level of integration with third-party products to either provide their customers broader options or fill in gaps in functionality not developed and owned by the vendor. If the vendors were rated on product features alone, they would be even closer together on the chart. Beyond their own life cycle modules' capabilities and integration, the features that helped to differentiate and position them for the completeness-of-vision line had more to do with the visionary qualities – how they have implemented plans for such features as security CM, server management, handheld management or disposal preparation – with varying degrees of weighting for each. These functions are not considered to be core today, but they have various levels of importance for where the market is going and what will be required to be successful in the future. Vision ratings are heavily influenced by what our clients tell us about the vendors. Vendors that do not appear on shortlists will receive lower scores in areas such as marketing and sales strategy and will be more likely to appear toward the left of the quadrant.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	standard
Marketing Strategy	standard
Sales Strategy	standard
Offering (Product) Strategy	high
Business Model	standard
Vertical/Industry Strategy	standard
Innovation	standard
Geographic Strategy	no rating

Source: Gartner

Leaders

A leader's ability to execute will be proven by its high market share and its appearance on numerous shortlists. That ability is bolstered by industry-leading overall fiscal health, broad geographic presence and a superior track record for market responsiveness and customer service. A leader will have vision

scores that reflect feature-complete products, show leadership in providing some life cycle management functions that users have just started requesting or are not yet requesting, and have implementations that are successful overall.

Challengers

Challengers are defined by having a keen ability to execute, along with a product that lacks complete functionality compared with its competitors and few features that are seen to shape the future of the market. Their ability to execute will be proven by their high market share and their appearance on numerous shortlists. That ability is bolstered by industry-leading overall fiscal health, broad geographic presence and a superior track record for market responsiveness and customer service. They reach their market position in terms of share and frequency of presence on shortlists because they price very aggressively, bundle this product with others, or even give it away for free.

Visionaries

Visionaries in this market will have vision scores that reflect feature-complete products, show leadership in providing some life cycle management functions that users have just started requesting or are not yet requesting. A visionary appears on shortlists because of its reputation in the market as a complete solution and a responsive vendor, and not just because it gives away its product or has a large, powerful sales force. However, its ability to execute is hampered by its size or stature. Its sales force may be smaller, or it may be very large but concentrate less on this particular product.

Niche Players

We remind readers that niche products can be good choices. Niche products generally provide less of the function or cover smaller geographies than the other players or come from very small vendors that have a hard time getting on a broad set of client shortlists. For a large vendor with a good ability to execute overall, sales in this market may be tied to other products, or the vendor may take aggressive pricing actions; its product does not get sold or make shortlists based on its own merits. Organizations that are looking for products with certain strengths or in certain geographies may find a niche vendor's products offer acceptable capability and support.

Not on This Magic Quadrant

There are other products for managing the complete or various aspects of the life cycle of a PC's configuration. We have excluded them from this Magic Quadrant because they do not have enough references from large customers (at least three with more than 30,000 seats). These vendors, like vendors in the Niche Players quadrant, offer some or all functions for PC life cycle management but are limited in their ability to execute in reach (channels, sales, and so on), brand awareness (reflected in inclusion on shortlists without a specific sales contact) or scalability. Some of those include OnDemand Software, LSVi and New Boundary Technologies. These vendors can also be viable choices for organizations that find value in ease of use or specific features and don't need the proven scalability of the players on the Magic Quadrant.

We are also seeing some crossover coming into this market from other vendors. In "Management Update: Evaluating PC Configuration Management vs. Patching Tools," we have commented that patch management vendors would need to branch into other markets and expand their offerings. Several clients have told us about their plans to eschew their traditional desktop management in favor of a security CM product such as BigFix. While players like BigFix have become more flexible and can perform a range of general SD and inventory tasks beyond patch, we do not yet see a firm strategy for full life cycle management or large numbers of customers buying the products for that purpose.

What's Next

While managing PCs is a mature market, and many vendors have existed for over five years (either as a stand-alone or before an acquisition), this is not a static market. Changes via acquisitions or partnerships will continue to occur from within this space and from other markets (monitoring, security, and so on). Clearly the original requirement to reduce costs of desk-side visits for managing the life cycle has not caught up to the maturity or need for what enterprises are actually implementing.

Through 2007, 75 percent of large companies will buy life cycle management products, but less than 25 percent will fully implement them (0.7 probability). We expect that 20 percent of organizations will

increase their life cycle automation capability as Windows Vista approaches release (expected in the second half of 2006), but organizations that want to use this technology to deploy Windows Vista need to start well before their deployment (we expect mainstream deployments to begin 18 months after Windows Vista ships) to make sure all their applications are packaged, create policies, and mature their processes. At the same time, we expect new management requirements to be folded into the life cycle (for example, patching, security configuration and network access control). SMBs will likely look to these products to extend management from their Windows desktops to their Windows servers (for example, file/print), but not for multiplatform data center needs around provisioning and template auditing. SMBs are also looking for continued one-stop shopping for service desk and asset management. Today we see integration largely between inventory and remote control. Large enterprises will likely look to extend the life cycle to more security functions as those organizations begin to work more closely together.

Vendor Comments

Altiris

Altiris shows up on more shortlists than any other vendor except Microsoft. That would give it a relatively high ability to execute. However, Altiris has some issues around channel partners. HP is its largest reseller, but now HP has its own product lines – Radia for large enterprises and OpenView Client Configuration Manager (OVCCM), positioned more directly against Altiris. Therefore, execution for the future becomes more challenging. With its current stock position, Altiris is a possible acquisition candidate. Since acquisitions can be positive or negative, this uncertainty applies pressure to its ability-to-execute rating.

In terms of vision, Altiris has made the right investments and added the right pieces in the past three years in its desktop management suite, largely through acquisition. Technology acquisitions tend to advance technology faster, but often integration is slower and requires the vendor to constantly address issues in its base product architecture. Altiris will enter the security CM market with technology acquired from Pedestal, but integration is not complete.

BMC Software

BMC acquired Marimba in mid-2004 and seems to be selling Marimba within the rest of BMC's installed base and less in the general market. Like the other vendors that were recently acquired, we have seen Marimba on fewer shortlists over the past year or so. Marimba continues to have a good reputation for policy and bandwidth management. It lacks its own imaging function but has good integration with other solutions. BMC has been concentrating on developing a configuration management database (CMDB) strategy with Remedy as its core technology and integrating Marimba's CM function with its Atrium CMDB. BMC is also actively working on integrating its discovery and usage capability with Remedy Asset Management to provide a software license management solution (from contracts through audits to harvesting) due in March 2006. As a desktop life cycle solution provider that relies on partnerships for significant function (for example, imaging, patch content and packaging), Marimba's challenge is to maintain integration and consistency as enhancements are made. Additionally, its security CM strategy is focused on enhancing security policies (to standards of the National Institute of Standards and Technology and the SANS Institute), but not broader functionality.

Computer Associates

Computer Associates (CA) has had a rocky road in the desktop CM space over the past five years, but in the last two, its installed customers seem much happier than they'd been previously; this is due to CA's 2003 de-frameworking effort and simplified bundling. The sales growth of CA's desktop configuration "bundle" is mainly a result of its suite approach to selling, for example leveraging service desk and asset management sales around inventory and asset management. In 2004, CA acquired Miramar software, a feature-complete product for migrating user data and settings, helping improve its position to be a life cycle management provider. While CA does not have its own imaging technology, it has built a workflow that integrates third-party products nicely. Reducing its vision rating is its disconnected security CM strategy. While CA has patch management capabilities, it is very late in integrating them with its Unicenter Software Delivery product. We would expect tighter integration with other CA security offerings, such as eTrust, but this is taking a longer time than expected.

enteo

enteo, formerly known as NetSupport, is a German company that's been trying to expand its presence for several years. It has also been successfully broadening its product, recently adding patch management, OS deployment (with PC migration support), and several connectors for third-party products. As one of the smaller privately held companies, it faces a challenge gaining share of voice and executing in a market crowded with large vendors. But its ease of use, especially for policy-based SD, enhances a complete policy-based life cycle management offering, and its Citrix management offering is a differentiator. While enteo has good function and references, its absence from broader client shortlists keeps it in the Niche Players quadrant.

HP

HP rejoined this Magic Quadrant through its acquisition of Novadigm in 2004. Novadigm was always a strong player in the CM market with its desired-state management technology. Since the acquisition, HP concentrated its Radia efforts on internationalization (local language and global worldwide support) and a bit more on the server management than the desktop business. HP has also been somewhat distracted working through the intricacies of its relationship with Altiris, trying to decide when to lead with Altiris-based products and when to lead with its own, and more importantly, how to train its various sales forces to make those distinctions. Its strategy is getting more clear, with a recent announcement of a Radia-based product (OVCCM) targeted toward companies with fewer than 5,000 users (Radia is strongest in organizations with more than 5,000). We expect OVCCM to be an ongoing challenge for Altiris as HP's Personal Systems Group focuses more on HP intellectual property instead of selling partner solutions. With the impending acquisition of Peregrine, HP will again need to rationalize overlap (for example, inventory/discovery) capability.

IBM

IBM's Tivoli Configuration Manager (TCM) can still be successfully sold by IBM's sales team into Tivoli-centric accounts, but we have seen it on fewer shortlists. IBM has been slow to respond to industry desktop management trends, but it did finally release an automated patch management capability in May 2005.

IBM has been putting most of its efforts into server configuration with its new Tivoli Provisioning Manager, which is expected to incorporate “de-frameworked” desktop management capability in the third quarter of 2006. IBM uses the internal capabilities of its own products and integrates with scripting from non-Tivoli products, such as Microsoft’s Remote Installation Services, to perform imaging. Clients still comment that it takes them more time and money to successfully implement TCM than other products in this market. IBM is also broadening its focus and development efforts on its IT service management strategy for process and automation integration.

LANDesk

LANDesk offers a comprehensive life cycle suite that meets its (predominantly midsize) buyers’ needs. As a stand-alone private company it has shown innovation through organic growth, which has become increasingly rare but yields a seamless, integrated product. Its current ability-to-execute rating, even though it is a private company, is a testament to its relatively strong and diverse channel structure, both domestic and overseas. While life cycle buyers today are primarily concerned with the basic fundamentals of managing desktops, pressure to broaden control into security issues is growing. LANDesk was the first vendor to address the security CM market – which is likely to merge with operational CM over time – and launched its own integrated suite in 2004. Weighing down LANDesk’s ability-to-execute rating is its position as a private company, which makes financial analysis more difficult for potential customers, may limit its ability to make acquisitions, and keeps it as a possible acquisition target.

matrix42

matrix42 is trying to expand geographically from its German home base, where it has been competing successfully with its Empirum product. Like enteo, matrix42 offers a full life cycle management suite at a competitive price but is a relatively small company trying to expand geographically in a crowded market. One of Empirum’s primary value propositions is its relatively easy-to-use policy engine, which allows administrators to bring a PC that has drifted away from a previously defined policy back into compliance. While Empirum has good function and references, its absence from broader geographic client shortlists keeps it in the Niche Players quadrant.

ManageSoft

ManageSoft continues building out its life cycle management capabilities. In terms of function, it compares favorably to the other vendors in the market and is one of several vendors that allows organizations to employ user PCs as distribution points in small, serverless branches. ManageSoft often presents its new functions both in its integrated suites and as add-ons, which tends to make it somewhat more expensive than its competitors, but it has a good reputation for ease of use and implementation. Like LANDesk and Altiris, we see ManageSoft mainly in midsize and large environments (under 20,000 PCs). Larger organizations can consider ManageSoft, but (as with all vendors) should request references for organizations of similar size trying to do similar functions. ManageSoft has been recently successful in attracting venture capital for necessary expansion, but its presence is still narrower than many of its competitors’, as it continues to broaden its Australian roots from its U.S. headquarters.

Microsoft

Microsoft is the only vendor to show ability to execute that we believe moves it past the center line. Its appearance on almost every shortlist and the effect it is having on the market in the form of lower prices often quoted by its competitors, along with SMS’s place in so many enterprise agreements with attractive pricing, significantly elevates its ability to execute. Microsoft finally delivered PC deployment and integrated migration capability with its OS deployment feature pack in the fourth quarter of 2004. But its imaging capability integrates only its own imaging format; it cannot distribute third-party images, such as Ghost. Microsoft has been pushing its Business Desktop Deployment toolkit, which adds that capability, and though it’s not an actual product, it has been gaining traction. While Microsoft drives the patch management market, it was not until August 2005 that it delivered the ability to use the more reliable Windows Update scanning agent instead of the beleaguered Microsoft Baseline Security Analyzer for patching under SMS 2003. Those issues and a lack of an articulated security CM strategy leaves Microsoft on the line between the Challengers and Leaders quadrants.

Novell

Novell has been keeping up with the requirements for life cycle CM. ZENworks has had imaging for several years and includes original equipment manufacturer-provided migration and MSI packaging tools. In 2005, Novell addressed the problem of ZENworks' sub-par inventory capability by buying Tally Systems. However, integration and elimination of a third required agent (in addition to the two for ZENworks and PatchLink) will not occur until late 2006 or early 2007 when Novell delivers the next generation of ZENworks (probability 0.8). We see 2005 and 2006 as transition years for ZENworks: Novell has moved its ZENworks Linux Management product to a new architecture that ZENworks will get in the next version. While Novell shows increased revenue for ZENworks in its financial reports, we don't often see ZENworks on shortlists in non-eDirectory environments, and we still see some customers moving off ZENworks where NetWare infrastructures are being eliminated. The next version of ZENworks will work without an eDirectory infrastructure, the primary objection we hear, and that will give Novell more opportunity. While ZENworks' policy infrastructure is suited to tasks like security CM, Novell has not yet announced plans in that area.

Symantec

Symantec is well-positioned in the PC imaging market, owning about 90 percent of the installed base with its Ghost and PowerQuest technologies. Its acquisition of ONTechnology in February 2004 added SD to sell a complete PC deployment and life cycle management suite into its large disk imaging installed base. Symantec announced its rebranded LiveState Client Management Suite, which optionally includes some of Symantec's PowerQuest acquisition capability for recovery, in April 2005. LiveState Client Management has competitive PC migration and leading deployment and imaging capabilities. Inventory capability still comes from a third party – Centennial Software – and patch management that uses Shavlik content for patch analysis. Symantec's strong corporate financial position improved its ability-to-execute rating, but we have seen the Management Suite on fewer shortlists over the past year. Gartner believes that there will be convergence in the operational CM and security CM markets, but while Symantec has many necessary

functional security configuration components, it is still building a more comprehensive, integrated solution, as evidenced by its recently announced intent to purchase BindView.

Evaluation Criteria Definitions

Ability to Execute

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

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

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

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

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

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

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

Completeness of Vision

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

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

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

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

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

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

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

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