DEJ

Top 20 Vendors for Managing IT Performance in 2022

Analysis of vendors' alignment with key user requirements and challenges as identified in the market study – *"24 Key Areas Shaping IT Performance Markets in 2022"*

Derivative report from the market study

Context

DEJ surveyed more than 3,300 organizations around a variety of topics about managing IT performance. The key findings and analysis of this research are published in a market study titled "24 Key Areas Shaping IT Performance Markets in 2022"

However, the study is vendor agnostic and this report provides additional analysis of how technology vendors align with key user requirements for managing IT performance.

The research shows that this is a fast changing market and in order to address their key challenges organizations need to look beyond traditional technology "buckets" and a "one-size-fits-all" approach when evaluating solutions for managing IT performance.

The key goal of this report is to help end-user organizations understand what solution is the best fit for their specific needs.

Click here to access the full study

24 Key Areas Shaping IT Performance Markets in 2022	
Impact on business outcomes	Data management and analytics at scale
Enabling unique customer experiences	Enabling cloud native journey
War for talent	Managing innovation
Employee experience	Automation as a key enabler
Balance between speed and reliability	Maximizing the value of open source
Changing the importance and definition of "Visibility"	Everything in a business context
Impact of change	Focus on high value work
Modernizing IT service organization	Optimization and visibility into efficiencies
Managing complexity	Modernizing IT Operations
Observability – value, potential and confusion	Vendor selection
Teams, tools and processes	Addressing performance incidents
Key use cases	Growing business impact

Key market requirements

Technology as a business advantage is not optional

The study shows a 41% increase in "enabling new and unique customer experiences" as the key driver for investing in IT performance technologies over the last 18 months. Additionally, organizations reported 7.63 million, on average, annual loss due to the inability to align software delivery initiatives to business outcomes.

Organizations are understanding the benefits of digital transformation, many of them didn't have a sense of urgency for putting technology in the core of business strategies. The study shows that organizations that fall behind their competitors when it comes to modernization and using technology to create a business value are experiencing rapid declines of their competitive position. The business pressures are causing organizations to understand that using technology to create differentiating customer experiences is no longer optional and that it requires changes to their mindset, strategies, technology capabilities and processes.

Importance of managing cloud native and hybrid cloud environments

The study identified a number of use cases whose importance increased over the last 2 years. As organizations are increasingly realizing the importance of continuously innovating and being able to respond to changing business needs faster, the research shows a 76% increase in the importance of Kubernetes management and a 59% increase in the importance of enabling cloud native journey.

So what?	3.7x	increase in the number of organizations that are forced to innovate to stay competitive, over the last three years

Recruiting and retaining the right talent, aligning people resources with business goals, reducing time spent on addressing performance incidents and visibility into technology adoption by employees are some of the key focus areas, reported organizations. That also impacts requirements for technology adoption as 57% organizations see automation as the key enabler for closing the modernization skills gap in managing IT Operations.

The #1 capability needed – correlating IT performance to business outcomes

DEJ used our unique distributed survey data collection approach to identify the importance of hundred of technology capabilities. Staggering 84% of organizations selected "correlating IT performance to business outcomes" as a capability they are looking to deploy. It should be noted that there is a number of solutions in the market that provide some business context when it comes to managing IT performance. What organizations are really looking for is a capability that connects the dots between operational improvements and business outcomes in a clear and measurable way. Therefore, the study shows a 32% increase in the number of organizations that are using "ability to quantify the business impact" as the key selection criteria over the last 18 months.

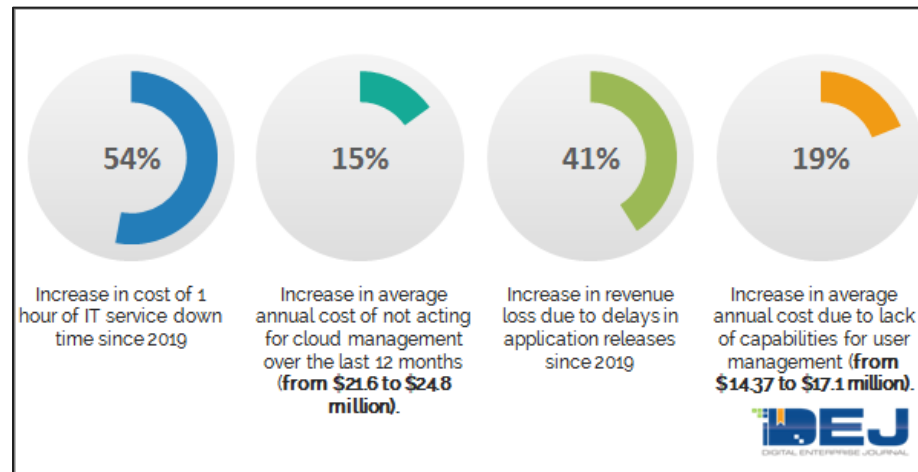### Understanding the importance of talent management

The study found that skills gap is the #1 challenge for adopting a cloud native approach. The research also shows that 68% of an IT team's time is spent on tasks that do not contribute to key business outcomes. Additionally, the study shows that organizations are losing, on average, $2.82 million annually because of employee turnover due to lack of visibility in employee experience.

Recruiting and retaining the right talent, aligning people resources with business goals, reducing time spent on addressing performance incidents and visibility into technology adoption by employees are some of the key focus areas, reported organizations. That also impacts requirements for technology adoption as 57% organizations see automation as the key enabler for closing the modernization skills gap in managing IT Operations.
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Data capabilities as the answer to key challenges

The study shows that data management and analytics capabilities are key focus area when it comes to addressing top initiatives such as enabling unique customer experiences, managing complexity, innovation management and modernizing IT service delivery organization. Thirty-eight percent of organizations reported improving their data management and analytics capabilities as the key area for improvement when looking to create business value from technology deployments

Additionally, the study shows that forward-thinking organizations are aware that improving in this area requires a mix of different capabilities and a strategic approach. As a result, these organizations are 3.7 times more likely to improve customer engagement and experience.

54%
Increase in cost of 1 hour of IT service down time since 2019

15%
Increase in average annual cost of not acting for cloud management over the last 12 months **(from $21.6 to $24.8 million)**.

41%
Increase in revenue loss due to delays in application releases since 2019

19%
Increase in average annual cost due to lack of capabilities for user management **(from $14.37 to $17.1 million)**.

Growing business impact

DEJ's comparison with the findings of 2020 study found that the business impact of IT performance is constantly growing and at a high rate. The study shows $935,000 increase in average annual revenue loss due to engineers not focusing on business critical tasks over the last 12 months (28% increase).
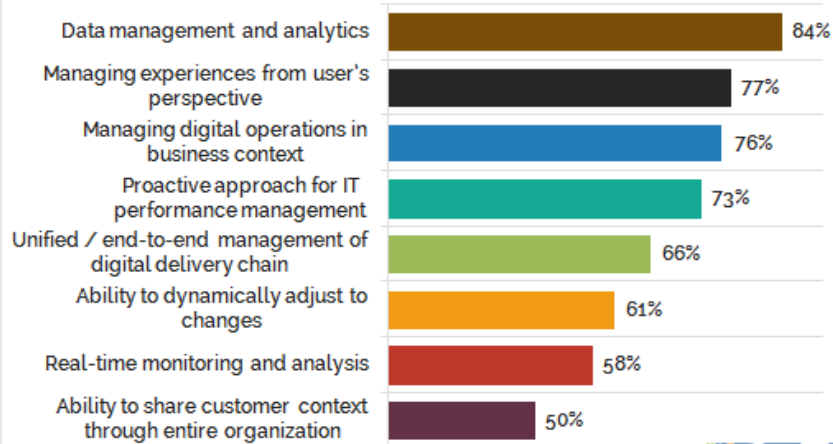
> ## The following section of this report includes an analysis of eight key areas shaping IT performance in 2022

Enabling unique customer experiences

41% increase in "enabling new and unique customer experiences" as the key driver for investing in IT performance technologies over the last 18 months

Creating and managing differentiating customer experiences is the key goal for a majority of digital business. However, achieving this goal is a complex task that includes a lot of moving parts and changes in strategies, processes and capabilities deployed. This is another area where data strategies play a key role, along with visibility into the entire digital delivery chain and understanding the business context of actions that are being taken.

Working towards achieving this goal cuts across all of the key areas – from efficiency and reliability, real-time data management to managing change, creating actionable insights and automation. The research also found that addressing this goal is becoming increasingly difficult, as organizations are reporting that user expectations for experience and performance are constantly increasing.
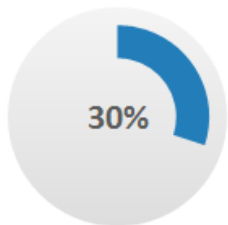
Key capabilities for enabling unique user experiences

Capability	Percentage
Data management and analytics	84%
Managing experiences from user's perspective	77%
Managing digital operations in business context	76%
Proactive approach for IT performance management	73%
Unified / end-to-end management of digital delivery chain	66%
Ability to dynamically adjust to changes	61%
Real-time monitoring and analysis	58%
Ability to share customer context through entire organization	50%

So what? **$16.7 million** Average annual loss due to issues with user experience

War for talent

**2.5X** increase in the number of organizations reporting that has become more difficult to find and retain and talent over the last 3 years

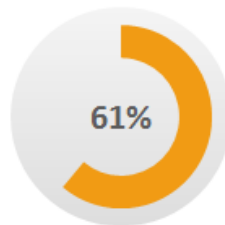The speed of change in business requirements and technology landscape has caught both organizations and educational institutions by surprise. The research shows that skills gap is the #1 challenge for modernization. People with skills needed for a cloud native world are hard to find and sometimes even harder to retain.

From the HR perspective, this problem is not likely to go away any time soon. From the technology management perspective there are a number of actions that forward-thinking organizations are doing to effectively address this challenge. Some innovative organizations are using the capabilities of their IT performance management solutions as a recruiting tool. Also, organizations are deploying new capabilities and changing their processes to reduce engineers' and developers' frustration.

Forward-thinking organizations are also taking this issue to a strategic level and are being more proactive by looking for early signs of potentially losing their top talent due to the amount of time they are spending on non business critical tasks.

30% Organizations reported employee churn due to lack of capabilities for building and/or managing digital services
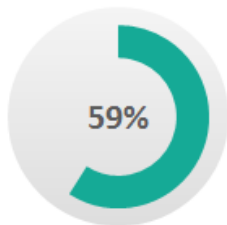
59% Reported that "engineers on call" is a key challenge for talent retention
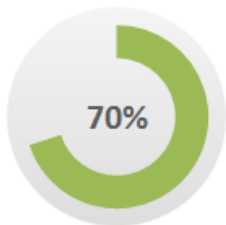
70% Reported workflows and collaboration as a one of the key reasons for developers' frustration

61% Of engineering leaders reported inability to measure productivity and collaboration of engineering teams as a key challenge
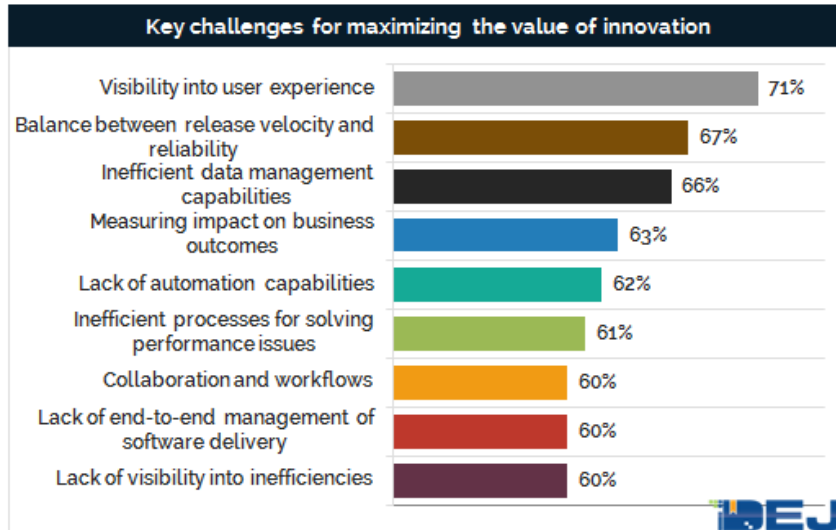
So what? **$13.74 million** Average annual business loss (revenue loss and/or increased cost) due to lack of talent for modernization

Managing innovation

39% Of organizations experienced improvements in business performance as a result of innovation

As mentioned above, the end goal of managing IT performance and innovation is driving business value by creating and managing exceptional user experiences. Ironically, the research shows that close to three quarters of organizations do not have full visibility into user experience. As a result, 51% of organizations do not know if innovation is driving business benefits. This is a very serious issue, as managing innovation is complex to begin with. The research shows that 60% of organizations, or more, reported nine different challenges for creating business value from innovation.

Managing innovation for business advantage is a process that should be managed backwards. Creating, monitoring and managing customer experience is a centerpiece and also a foundation of this process and all other capabilities deployed should be in service of enabling this area.

Key challenges for maximizing the value of innovation

Challenge	Percentage
Visibility into user experience	71%
Balance between release velocity and reliability	67%
Inefficient data management capabilities	66%
Measuring impact on business outcomes	63%
Lack of automation capabilities	62%
Inefficient processes for solving performance issues	61%
Collaboration and workflows	60%
Lack of end-to-end management of software delivery	60%
Lack of visibility into inefficiencies	60%

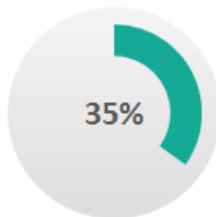**So what?** **$35.5 million** Average annual loss due to delays in application releases
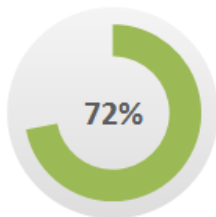
Employee experience

61% lower employee turnover rate for organizations that are monitoring employee experience
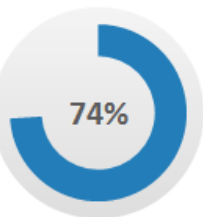

74%
Organizations reported lack of visibility into employee engagement & experience as a key challenge for adopting "work from anywhere"

35%
Increase in number of organizations that ranked importance of managing employee experience as "High" or "Very high" over last 18 months

72%
Organizations that are monitoring employee experience reported improvement in ability to prioritize IT performance problems
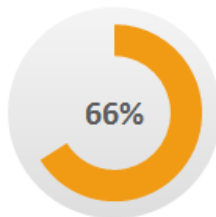
66%
Reported lack of visibility in employee adoption and engagement as a key challenge for deploying new technologies

There are a number of areas that are causing organizations to give strategic importance to employee experience. We have already mentioned issues with the retention of high value employees and the research shows that organizations are losing millions in employee turnover due to a lack of capabilities for monitoring employee experience.

The research shows that the lack of visibility into employee experience deteriorates organizations' ability to make better business decisions, maximize the value of new technology deployments and prevents organizations from streamlining their workflows. Fifty-nine percent of business and IT executives in DEJ's recent study, The Total Business Impact of IT Performance, reported improving employee management as the key business goal for the next 12 months. In order to achieve this goal, organizations need to deploy capabilities for monitoring experience from the employees perspective.

So what? **$2.282 million** average annual loss in employee turnover due to lack of visibility in employee experience

# Changing the importance and definition of "Visibility"

60% of organizations reported that the importance of having a full visibility from request to delivery increased over the last 3 years

DEJ's recent study shows that 64% of organizations have deployed, or are looking to deploy Observability capabilities. Also, 58% or organizations reported that they lost visibility into the digital service delivery chain after conducting modernization projects. As a result, many organizations are confusing terms "observability" and "visibility" which do have some overlap, but they mean something very different.

One of the key reasons Observability has become such a "hot term is that having a full visibility has become more important, more difficult to achieve and requires a new approach. Instead of jumping on the Observability bandwagon, organizations need to assess their environments and key needs and rethink their approach not only for monitoring, but fully understanding their workflows and ensure they eliminate "blind spots" that can deteriorate business performance.
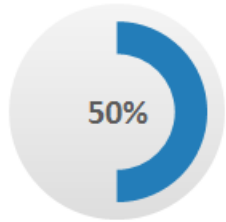
50% Organizations reported that their definition of having "full visibility" into their environments changed over the last 2 years
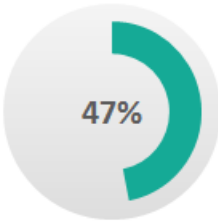
47% Organizations reported that effectiveness of their IT performance monitoring solutions declined over the last 2 years
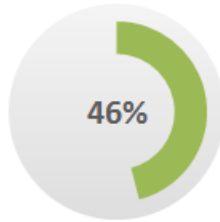
46% Organizations reported that the business context is a key requirement for their visibility approach
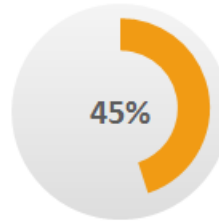
45% Organizations reported they experienced the need to monitor and analyze new areas and domains over the last 3 years

So what? **41%** Average increase in business impact due to blind spots in digital delivery chain over the last 3 years

Everything in the business context

70% reported a lack of business context from management solutions as a key challenge

Key capabilities organizations are looking to deploy

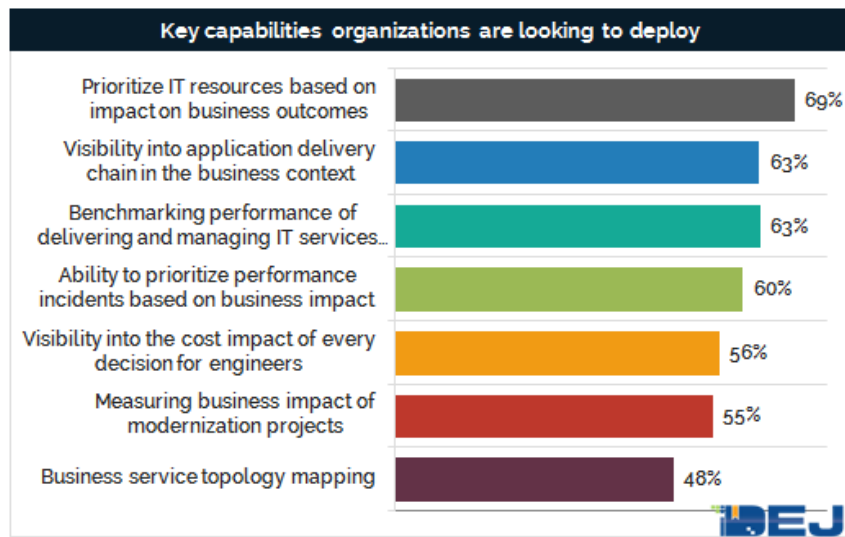| Capability	Percentage
Prioritize IT resources based on impact on business outcomes	69%
Visibility into application delivery chain in the business context	63%
Benchmarking performance of delivering and managing IT services…	63%
Ability to prioritize performance incidents based on business impact	60%
Visibility into the cost impact of every decision for engineers	56%
Measuring business impact of modernization projects	55%
Business service topology mapping	48%

DEJ's research shows that we are experiencing the perfect storm of changes in both the technology and business markets. Even though these changes are making it more difficult to effectively manage IT performance, they are creating an opportunity for IT to have a stronger and more visible impact on business goals.

Organizations are deploying new technologies and redefining their approach to IT performance and yet 70% of them reported that the tools they are using do not provide business context. Innovating to just innovate is obviously a losing game, but vendors are not the only ones to blame for a lack of business context when managing IT performance. The research shows that organizations are losing millions due to not aligning software initiatives to business outcomes, which is not a technology but a process issue.

In order to take advantage of the opportunity that this perfect storm has brought, IT leaders should be asking themselves the "so what?" question for every major decision they are making and define their actions based on if something is beneficial for the business.

So what? **$7.63 million** Average annual loss due to inability to align software delivery initiatives to business outcomes

Impact of change

67% of organizations don't have the ability to identify change(s) in their environments that caused performance issues

DEJ's research shows an 8.7x increase in the number of new software releases and updates over the last 3 years. Also, the research shows that a change is the #1 cause of performance issues. However, when managing complex environments that are changing almost every second, the key to success is to identify which change actually caused the problem. The research shows that two thirds of organizations do not have this capability.

The solution to this major problem comes from the same area that was mentioned multiple times above - data strategies, actionable insights and delivering data in the right context. DEJ's research also shows a $36,34 million, on average, annual loss due to the inability to proactively prevent performance issues.

Also, 58% of organizations reported that their key goal is to establish more predictable operations. Achieving this goal calls for a combination of technology capabilities and a new management approach.

71%
Organizations do no have ability to predict cloud cost

77%
organizations reported inability to measure change impact on user experience as a key challenge

26%
Organizations have processes for identifying risky changes and proactively take steps to reduce risk and prepare remediation

71%
Organizations reported lack of actionable data as a key challenge for identifying changes that should be rolled back

So what? **66%** of MTTR is spent on identifying change that is causing a problem

Optimization and visibility into inefficiencies

68% of organizations do not have visibility into how their IT resources are being used

Business and IT executives that participated in DEJ's recent research reported improving efficiency as the #1 business goal for 2022 (83% of organizations). However, in order to achieve this goal, organizations need to gain visibility into the areas where they are experiencing inefficiencies.
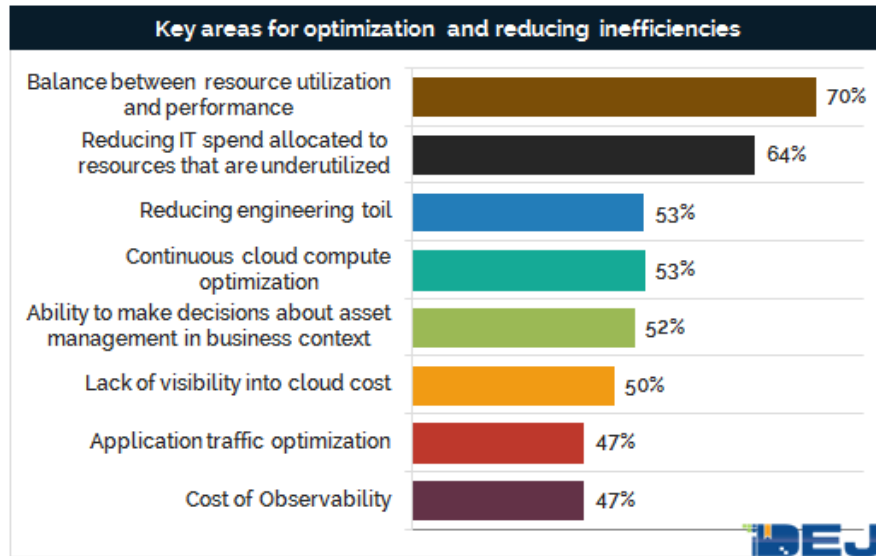
The research shows that optimization is becoming increasingly important for organizations as they are looking to address business critical challenges, such as finding the balance between resource utilization and performance and making decisions about IT assets in a business context. The research also identified that capabilities such as automation and AI and application traffic optimization are having a strong impact on addressing these challenges.

Key areas for optimization and reducing inefficiencies

Area	%
Balance between resource utilization and performance	70%
Reducing IT spend allocated to resources that are underutilized	64%
Reducing engineering toil	53%
Continuous cloud compute optimization	53%
Ability to make decisions about asset management in business context	52%
Lack of visibility into cloud cost	50%
Application traffic optimization	47%
Cost of Observability	47%

So what?

$5.1 million average annual loss due to a lack of balance between cost/resources and performance of managing digital services

Vendor Evaluation Process

The research shows that this is a fast changing market and in order to address their key challenges organizations need to look beyond traditional technology "buckets" and a "one-size-fits-all" approach when evaluating solutions for managing IT performance. However, the study is vendor agnostic and this report provides additional analysis of how technology vendors align with key user requirements for managing IT Performance

The key goal of this vendor analysis is to help end-user organizations understand what solution is the best fit for their specific needs.

58% Listed "situational alignment" (technology environment, pain points, use cases, etc.) as the top criteria for selecting IT performance management solutions

Average increase in complexity of IT systems over last 24 months. **3.2x**

$634k Average revenue lost per month due to application slowdowns

01 Evaluation
Vendors' are evaluated based on the alignment of key user requirements and challenges (as reported in the market study) with their core strengths and capabilities..

02 Scale
Vendors' capabilities are evaluated on a 5-point scale. 5 - "Leader", 4 - "Strong", 3 - "Average/Adequate", 2 - "Below Average", 1 - "Not offered or partially addressed".

03 Competition
Even though they are all addressing similar challenges, the majority of analyzed vendors are not direct competitors
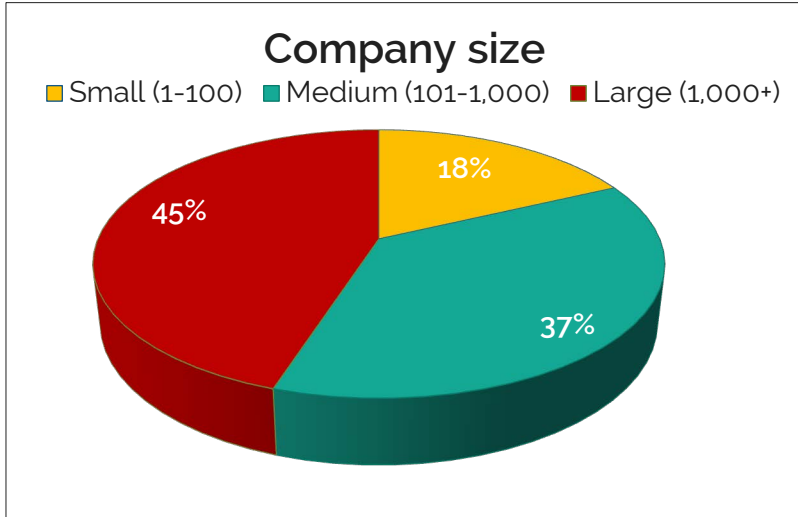
Riverbed

Riverbed's Alluvio Unified Observability portfolio includes strong capabilities for user experience management, network and application performance management and infrastructure monitoring. Some of the key attributes of the company's solution are full-fidelity telemetry , actionable insights, automated remediation and intelligent analytics,

In addition to the 8 areas listed, Riverbed's offering are very well aligned with areas such as Focus On high value work, Addressing performance incidents and Use cases (especially hybrid cloud and remote work)

Riverbed's alignment with key user requirements

Area	Capabilities / Challenges / Requirements	% of organizations	Vendor's effectiveness
Enabling unique customer experiences	Managing experiences from user's perspective	77%	Leader
War for talent	Inability to measure productivity and collaboration as a key challenge	61%	Leader
Managing innovation	Visibility into employee experience as the key challenge for maximizing the value of innovation	72%	Leader
Employee experience	Lack of visibility into employee engagement and adoption as a key challenge for deploying new technologies	66%	Leader
Changing the importance and definition of "Visibility"	Need to monitor and analyze new areas and domains	45%	Leader
Everything in the business context	Visibility into application delivery chain in the business context	63%	Leader
Impact of change	Inability to measure change impact on user experience as a key challenge	77%	Leader
Optimization and visibility into inefficiencies	Ability to make decisions about asset management in business context	52%	Leader

Research demographics

This study includes insights from 3,318 organizations

Company size

■ Small (1-100) ■ Medium (101-1,000) ■ Large (1,000+)

- 18%
- 45%
- 37%

Geography

- ✓ 60% North America   NZ)
- ✓ 26% EMEA   ✓ 2% Other
- ✓ 12% APAC (inc Australia and

Job Role

- ✓ 16% VP and Director of IT   admin
- ✓ %13 DevOps / SRE   ✓ 10% Application / software development / QA
- ✓ 12% LoB / business management   ✓ 7% c-Level executives
- ✓ 12% General IT Operations

Industry

- ✓ 14% Technology
- ✓ 12% Business services
- ✓ 12% Finance/Banking/Insurance
- ✓ 9% Healthcare
- ✓ 8% Retail/eCommerce
- ✓ 7% Telecommunications/MSP
- ✓ 6% Public sector / education / non-profit
- ✓ 34% Other

About Digital Enterprise Journal

Bringing together the most advanced concepts from analyst research and media industries

Analyst

Expertise in vendors differentiators

Long publishing cycles

"One size fits all" analysis

Costly access to content and findings

Expertise in market dynamics

Primary survey research

Non engaging content formats

Continuous vendor and technology coverage

Media

Engaging content formats

No ongoing coverage of market dynamics

Little or no focus on primary research

Frequent publishing

Focus on buzz words and "hot" topics

No in-depth expertise about vendors

Free content driving larger audiences

Biz model aligned with modern content marketing

Key Differentiators

Focus on business outcomes

Methodology framework that is using a multi step approach to connect vendor's differentiators with business outcomes

User Insight Platform

Ongoing, personalized approach for research data collection and analysis

Business Model

Ability to continuously leverage up-to-date research in each stage of the buying cycle & sales funnel

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