IDC MarketScape

IDC MarketScape: Worldwide Integrated Supply Chain Execution and Fulfillment 2016 Vendor Assessment

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IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Integrated Supply Chain Execution and Fulfillment Vendor Assessment

Source: IDC, 2016

Please see the Appendix for detailed methodology, market definition, and scoring criteria.
IDC OPINION

This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the integrated supply chain execution and fulfillment marketplace and help assess current and anticipated performance in the marketplace. This study assesses the capability and business strategy of seven key vendors with a robust suite of supply chain execution and fulfillment applications and the capability to provide an integrated approach to supply chain execution and fulfillment. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing an integrated approach to supply chain execution in both the short term and the long term. IDC Manufacturing Insights defines integrated supply chain execution and fulfillment as an approach to managing the flow of action and information throughout the fulfillment process that delivers process optimization with integration between warehouse management (WMS), transportation management (TMS), and order management/fulfillment. The criteria used in the IDC MarketScape for integrated supply chain execution and fulfillment (and the resulting positions in Figure 1) are across dual dimensions of strategy (future plans and where the vendor is headed) and capability (where the vendor is today in terms of capabilities). Each of the elements within strategy and capability is then assigned a weighting based on the relative importance of each criterion in the opinion of IDC Manufacturing Insights and feedback from manufacturing and retail users. This IDC MarketScape is a starting point for manufacturers and retailers that are considering an integrated approach to supply chain execution and fulfillment. The vendors included represent a "short list" – a way to winnow down the long list of application providers, both big and small, that exist in the marketplace. It does not replace the due diligence that companies must then do to evaluate which vendor is the right fit for their particular needs and circumstances. Key findings include:

- Each vendor included in this IDC MarketScape (HighJump, Infor, JDA, Manhattan Associates, NetSuite, Oracle, and SAP) either offers all application areas or has shown the capability to integrate with other application vendors to deliver an integrated approach to supply chain execution and fulfillment.
- Of the seven vendors included in this study, Infor, NetSuite, Oracle, and SAP provide supply chain execution capabilities within a much broader set of tools, with a foundation in enterprise resource planning (ERP).
- Of the seven vendors included in this study, HighJump, JDA, and Manhattan focus exclusively on delivering supply chain management applications and functionality, albeit across the broader spectrum of supply chain management requirements.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Integrated supply chain execution and fulfillment is the notion that all supply chain execution processes and technology are aligned to provide optimal supply chain execution performance and enable "fast fulfillment." Essentially, a truly integrated supply chain execution and fulfillment strategy is where all supply chain execution processes and systems are designed to operate as a seamless entity to deliver the best possible fulfillment experience to customers without sacrificing accuracy or quality. While this type of approach has been long sought after, defining and executing to an integrated approach has largely been elusive. As application vendors have continued to develop applications with strong integration capabilities, achieving an integrated approach to supply chain execution and fulfillment is increasingly becoming a reality in today's marketplace.
There exists an abundance of supply chain execution application vendors with capabilities specific to requirements across the spectrum of supply chain execution. The intent with this IDC MarketScape is to focus on those notable vendors with a robust suite of offerings, covering multiple supply chain execution functional areas, and with the capability to integrate the applications across functional areas. Each of the seven vendors evaluated meets these requirements.

ESSENTIAL BUYER GUIDANCE

Integrated supply chain execution and fulfillment requires an organization to take a holistic approach to managing supply chain execution and fulfillment. Creating alignment across systems and business processes can play a significant role in helping manufacturers create visibility across the supply chain, deliver an exceptional customer experience, and create value for the firm. In other words, deliver "fast fulfillment." Today, it simply is not enough to have best-in-class functionality in a specific area and yet lack integration across the business process and systems. An organization with an integrated approach to supply chain execution and fulfillment may indeed exceed the performance of a firm that has best-in-class functionality in certain areas while lacking the integration layer. For companies looking to create an integrated approach to supply chain execution and fulfillment and evaluating vendors that are capable of supporting such an approach, we offer the following guidance:

- **Look at your supply chain holistically.** Take an end-to-end view of your supply chain to understand the flow of materials and data. Look for redundancy and excessive customizations that stand in the way of establishing an integrated approach to supply chain execution.

- **Define a future state strategy.** Take the time to map out and plan what an optimized supply chain execution strategy will look like (see *IDC MaturityScape: Integrated Supply Chain Execution 1.0*, IDC #US40152216, June 2016). Identify variance between the current state and optimized state and define a road map for progressing from the current state to a future state. Keep in mind that these efforts often take long periods of time to complete as doing things with a big bang can be disruptive to operations. Identify early wins that will show the value and prioritize projects that will rapidly deliver a return.

- **Define business process requirements.** During the process of understanding the current state and planning a future state, be sure to capture business requirements relative to supply chain execution. This is especially important relative to selecting application vendors. Vendor selection should include alignment between business process requirements and application capabilities.

- **Ensure alignment between line of business (LOB) and IT.** Throughout the process of evaluating, mapping, and planning, it is critical to have key stakeholders from both the LOB and IT. Such collaboration is done to ensure that both the business requirements are met and that IT can support, maintain, and deliver a technology architecture that meets the needs of the business.

- **Keep customization to a minimum.** Customized workflows and systems add a layer of complexity into the supply chain that impacts the ability to truly create an integrated approach to supply chain execution. It is important to keep a standardized approach, as much as possible, in order to enable processes and applications that interact seamlessly across the organization.

- **Work with application vendors that meet your needs.** During the process of vendor selection for supply chain execution applications, seek out vendors that both meet the needs of your business today and have a future strategy that aligns well to your future vision. An integrated approach does not necessarily imply that a single vendor is leveraged across the supply chain
execution environment; rather it requires that the applications selected have the capacity to integrate and provide a singular view of the supply chain execution processes.

- **Talk with vendor references.** Engage in discussions with references that have undergone similar efforts and leveraged the application vendors you are considering. Through discussions with companies that have undergone similar projects, you can both learn from their experiences and get a good sense of what it will be like working with prospective vendors.

## VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

### HighJump

HighJump is a Major Player in this IDC MarketScape for integrated supply chain execution and fulfillment.

HighJump is a provider of supply chain applications headquartered in Minneapolis, Minnesota. Founded in 1983 and merged with Accellos in 2014, HighJump had revenue of $169 million in 2015 and has over 770 employees globally, with 225 employees focused on fulfillment applications and an additional 25 that participate in fulfillment application development but also work across other applications. HighJump has over 1,375 globally dispersed clients using its fulfillment applications across a variety of manufacturing segments including consumer products, automotive, high tech, and industrial manufacturing. HighJump sells 90% direct and 10% through its value-added reseller (VAR) network.

HighJump has a comprehensive suite of supply chain execution applications covering the end-to-end flow from supplier to fulfillment at the customer. HighJump's product portfolio includes applications covering trade network, ecommerce applications, order management, transportation management, warehouse management, store delivery, tracking and visibility, and store operations. HighJump has three WMS applications designed for supporting the needs of the enterprise, the SMB, and multiclient operations (3PL), which account for roughly 40% of HighJump's business. Each WMS application is designed based on the common needs of the target market for each product, enabling HighJump customers to determine the appropriate WMS application based on their business needs.

### Strengths

The flexibility of the application was frequently identified by users as a key significant differentiator of the HighJump applications. Customers really like the capability to customize the application to meet the changing needs of the business without sacrificing support and upgradability of the applications. Customers cited the quality of customer service as above expectations and gave high praise to HighJump’s focus on supporting the company’s customers. Offering multiple iterations of its WMS application enables HighJump to provide a solid platform for different tiers of customers that helps customers to start off with a set of functionality that is likely relevant but still with the capability to easily customize the application based on any unique requirements. HighJump takes an innovative approach to product development and is continuously working to develop application upgrades and new functionality to support business requirements into the future.
Challenges

Most known for its WMS applications, HighJump has to continue to showcase its capabilities across other supply chain application areas. This is not due to a lack of offering or functionality; rather it is due to a broad base of customers in the WMS space that has come to know HighJump as a prominent supplier of WMS applications. HighJump struggles with a lack of depth relative to some areas of the development team and would benefit from adding talent around critical areas of the software that are hardest to diagnose and maintain.

Infor

Infor is a Major Player in this IDC MarketScape for integrated supply chain execution and fulfillment.

Infor is an ERP vendor with a suite of supply chain applications as well as some supply chain functionality embedded into its ERP platform. Headquartered in New York, New York, and founded in 2003, Infor has grown to an organizational size of over 14,000 employees, with over 100 R&D employees focused on development related to supply chain fulfillment applications. Globally, Infor has 73,000 customers. With over 1,200 supply chain execution customers, Infor's supply chain and fulfillment applications are currently deployed in over 40 countries across a variety of vertical markets, led by users in 3PL and distribution at 39%, followed by 25% of customers in farm, construction, and industrial machinery and 19% in CPG, with the remaining split across automotive, aerospace and defense, high tech, chemicals, and pulp and paper. From a sales strategy perspective, 72% of sales are directly through Infor and 28% completed through the company's systems integrator and VAR network.

Infor has a comprehensive suite of supply chain applications that supports a range of supply chain fulfillment areas including WMS, TMS, and order management. The Infor SCE application combines warehouse management, transportation management, labor management, and 3PL billing into a single application. This application enables customers to obtain a fully integrated single module with the capability to turn on functions as needed and only pay for the applications that are in use based on the number of users. This approach reduces the need for integration as the application is built out as a single application with multiple functional feature sets. In addition, Infor SCE is layered on top of the Infor ION integration platform, which is an event-driven platform that enables loosely coupled business process integration across applications.

Infor added a layer of visibility, supply chain orchestration, and trade network capabilities with the acquisition of GT Nexus in 2015 that enables an end-to-end view of the supply chain. Infor offers applications that target all sizes of organizations (SMB, midmarket, and enterprise) but is especially competitive in SMB and midmarket where it offers enterprise application functionality with industry specialization at a competitive price point. In addition to its standalone SCM applications, Infor has built out industry-specific suites that prepackage functionality for a variety of industries such as food and beverage, CPG, chemicals and pharmaceuticals, distribution, logistics providers, high tech, and automotive.

Strengths

The industry focus enables Infor to deliver out-of-the-box applications that broadly meet the functional needs of its clients yet still enable customization. GT Nexus provides a comprehensive view of the supply chain and, through integration with the supply chain execution functionality, delivers a platform capable of enabling commerce as well as tracking the flow of product and cash throughout the supply chain. The single Infor SCE application is an interesting approach that provides WMS, TMS, labor
management, and 3PL billing within a single application without the need for integration as they are built within the application.

Challenges

The focus on standardizing at the industry level has left some room for improvement relative to functionality and the need to customize to meet individual client needs. Customer references cited that, while customization was not difficult, customization was required to get the functionality required. While the industry focus enables Infor to deliver a baseline of functionality according to industry-specific requirements, those customers looking for more differentiated functionality may require customization.

JDA

JDA is a Leader in this IDC MarketScape for integrated supply chain execution and fulfillment.

Founded in 1985, JDA is a privately held supply chain software company headquartered in Scottsdale, Arizona. JDA has a long history of acquisitions including Manugistics in 2006, i2 in 2010, and RedPrairie in 2012. JDA has built up its product portfolio through a combination of internal product development and acquisition activity. JDA has served the supply chain fulfillment market for over 30 years with approximately half of total revenue estimated to be coming from its supply chain execution-related applications. Globally, JDA has over 4,300 employees and more than 1,000 customers, across over 100 countries, utilizing its supply chain execution applications.

JDA has a full suite of supply chain execution capabilities for manufacturers, retailers, and distributors that integrate well, delivering both the capability to execute and the capacity to conduct simulations and produce optimized planning and execution strategies. JDA has a long history of delivering supply chain execution applications, which is apparent in the robust capabilities that meet the needs of a modern supply chain strategy. JDA’s Intelligent Fulfillment module brings together all of the supply chain execution elements including, but not limited to, fulfillment, inventory visibility, track and trace, TMS, WMS, and labor management. While all of the JDA supply chain execution applications are full featured and very well done, the JDA TMS is a competitive differentiator. JDA looks at the movement of goods and needs at each step in the logistics process as part of the overall supply chain planning and supply chain execution and integration strategy.

Strengths

Given the long history of competing in the supply chain execution space and working with some of the world’s largest and most complex customers, JDA has deep experience in the market. JDA’s applications possess an extremely robust set of functionalities, which has been consistently praised by JDA customers. From a baseline product perspective, the application set offers the functionality to meet the needs of most customers with the flexibility to customize where customers require something that is not available out of the box. The applications integrate nicely, and customers gave high praise to the simulation and optimization capabilities that spanned the supply chain execution environment.

Challenges

With the robustness of functionality comes quite a bit of complexity. Customers IDC spoke with mentioned challenges relating to self-guided support as the self-help and online guidance were not enough to help in solving some challenges. JDA would benefit from expanding its internal support network to gain a greater breadth of resources across the application suite. Customers identified a slower pace of innovation at JDA as a challenge. Innovation is an area where JDA is indeed working to improve, as evidenced by the work being done at JDA Labs; however, customers IDC spoke with
would like to see JDA become better at delivering product and feature innovations that can translate into applications for the modern business environment.

**Manhattan Associates**

Manhattan is a Major Player in this IDC MarketScape for integrated supply chain execution and fulfillment.

Manhattan Associates is a supply chain application vendor with a complete suite of supply chain execution applications. Founded in 1990 and headquartered in Atlanta, Georgia, the majority of Manhattan's revenue comes from the company's supply chain execution and fulfillment-related applications – the core of Manhattan's business. Manhattan has over 3,000 global employees, with 2,100 employees focused on the fulfillment applications. As many as 2,100 customers across 60+ countries are using Manhattan applications within their fulfillment processes.

Manhattan has a suite of integrated supply chain execution applications including products from the supply chain and omni-channel portfolios. Manhattan Associates goes to market with 30 solutions that are organized into three primary categories: Inventory (SCP), Supply Chain (WMS, TMS, Labor, etc.), and Omni-Channel (including centralized Order Management and local Store solutions). All of the solutions are built on a common, integrated platform that offers single sign-on, a unified data model, common business objects, a singular user experience, and superior integration across supply chain functions. Manhattan has invested heavily in product development and has organically grown its application set. Within these portfolios, Manhattan has a robust set of functional applications that span the end-to-end supply chain and are well integrated as Manhattan has a singular underlying platform and common data model. Manhattan products are exceptionally strong in the retail industry, accounting for roughly 50% of the business. Other industries that are well represented include CPG with 25%, wholesale at 10%, and 3PL and high tech, each with 5% of revenue related to these segments.

**Strengths**

The depth and breadth of the Manhattan suite of applications is a very strong point. The in-house product development is strong and, as much of the applications have been developed organically, the organization has a significant amount of application and industry expertise. Manhattan does exceptionally well in the retail sector and has a long history of working with retailers in the supply chain execution application space. Customers cited the speed and responsiveness of the support organization as a strong point as well as a reduced requirement for customizations due to the depth and breadth of functionality. Manhattan has continued to add functionality with 15 new releases and over 500 new features added over the past 5 years.

**Challenges**

Manhattan both recognizes and is working to remediate its heavy slant toward retail and CPG. As Manhattan has continued to add features and functionality, customers we spoke with did mention that while many areas of the application suite were robust, there were several areas that were a bit less robust than expected. While Manhattan's applications are customizable, customers mentioned that Manhattan would push toward its identified best practices and out-of-the-box configurations first and that customization support could at times be a bit rigid. Given the long history of Manhattan as a vendor in the space, it comes as no surprise that Manhattan has a long listing of best practices and would want to guide customers toward what has been proven to work. The partner ecosystem was identified as an area of improvement opportunity for Manhattan, especially in terms of easing the concerns around implementing customizations.
NetSuite

NetSuite is a Major Player in this IDC MarketScape for integrated supply chain execution and fulfillment.

NetSuite is an interesting case here, given the recent acquisition of NetSuite by Oracle. For the purposes of this study, we are considering NetSuite as a vendor prior to the acquisition, although we have some concerns around the future of the NetSuite supply chain execution applications given the existing set of applications within Oracle. Prior to the acquisition by Oracle, NetSuite was an organization of 4,700+ employees founded in 1998. NetSuite is a pure cloud vendor and is widely recognized as the number 1 cloud ERP vendor, with over 30,000 companies using its applications across more than 160 countries. NetSuite does best in the SMB to midmarket segments and appeals to these customers because of the easy-to-deploy and customized cloud-based approach in which NetSuite delivers its applications.

NetSuite boasts an impressive suite of cloud-based supply chain execution applications including modules such as advanced order management and pricing, WMS, and an ecommerce platform called SuiteCommerce Advanced. Integration exists across ecommerce, order management, and warehouse management, all on a native cloud platform and a common data model. The NetSuite platform provides real-time end-to-end visibility to customers, orders, and inventory from order to cash and returns. In addition to the NetSuite applications, NetSuite provides a platform for cloud-based applications to integrate into their applications to support building out an ecosystem of vendors providing a variety of applications that tie into the NetSuite platform.

While NetSuite does not offer a TMS, NetSuite does have TMS vendors that either have built applications for the NetSuite platform or integrate well, such as Descartes, Freightgate, and MercuryGate. Combined with the NetSuite applications and the partner network that build applications on its platform, NetSuite is a sound platform for companies looking to employ an integrated approach to supply chain execution on the cloud.

Strengths

NetSuite is a strong competitor in the small to midmarket segments with good functionality. What customers liked most about working with NetSuite for their supply chain execution needs is the scalability and flexibility that NetSuite's cloud offerings deliver. Customers cited an accelerated time from implementation to go live as a key differentiator. Because it is only offered on the cloud, managing supply chain execution applications on NetSuite is far less complex and enables customers to manage things with a minimum level of internal IT staff. NetSuite received high praise for innovation and the speed and frequency at which NetSuite brings product enhancements and new features to market.

Challenges

While flexibility was identified as a benefit, customers also pointed out that a weakness of the NetSuite environment is that it is so customizable that it can slow things down and impede the ability to receive support. In addition, because there is no NetSuite TMS and customers are relying on the partner ecosystem for this functionality, customers identified that the TMS integration was at times not as efficient as they would have liked. The biggest challenge, as noted previously, is how NetSuite's supply chain execution applications will become part of the Oracle suite of applications. There is certainly a significant bit of redundancy as the two companies have competed in a similar market for some time. Albeit, NetSuite had a core focus on the SMB and midmarket segments, while Oracle is more of an enterprise-level vendor.
Oracle

Oracle is a Leader in this IDC MarketScape for integrated supply chain execution and fulfillment.

Oracle is a global provider of enterprise application software, hardware, and services with its global headquarters in Redwood Shores, California. Founded in 1977, Oracle has grown to an organization with over 144,000 global employees. Oracle sells its supply chain execution and fulfillment applications across all segments and does so primarily through direct channels but does have an extensive partner and integrator network that offers additional channels for sales, services, and support. Oracle has applications that meet the needs of businesses of all sizes, from the SMB up through to the enterprise, with over 425,000 customers across the globe.

Oracle has a comprehensive suite of supply chain execution and fulfillment applications within the Oracle E-Business Suite including, but not limited to, Oracle Transportation Management (OTM), Oracle Warehouse Management (WMS), Oracle Order Management (OM), Oracle Inventory Management, and Oracle Global Order Promising (GOP). Oracle supply chain execution and fulfillment applications have been built out to enable seamless integration across the supply chain application environment. Oracle's unified business model delivers a singular view of the end-to-end supply chain execution process from order to fulfillment. Oracle's full-featured supply chain execution and fulfillment applications offer robust functionality, which is continuously evaluated and improved both organically and through acquisition. Notable recent acquisitions include NetSuite, a leading cloud ERP vendor also evaluated in this study, and LogFire, a cloud-based WMS application vendor.

Oracle offers its supply chain execution and fulfillment applications for on-premise deployment and cloud-based deployments. Oracle has recently undergone a strategy shift to focus on the development and delivery of its cloud-based offerings. A component of this strategy shift is on building out its SCM cloud offerings and dedicating significant resources to the development of its cloud products. Oracle will, however, continue to develop, sell, and support its on-premise applications (such as E-Business Suite) in order to continue to support its large existing base of users with on-premise deployments.

Strengths

The depth and breadth of supply chain execution and fulfillment application functionality is a strong point for Oracle. Out of the box, Oracle's supply chain execution and fulfillment applications are sufficient for most situations, yet the applications are still quite customizable. Oracle's supply chain execution and fulfillment applications support, and are deployed across, a variety of industries. Oracle has been and continues to be a highly innovative company, investing in developing modern applications that are designed for modern business needs. The innovative culture at Oracle extends to the product road map and development processes as the company invests heavily in product development.

Challenges

Complexity of the product portfolio as well as complexity in the implementation process are challenges for Oracle. Customers have commented on their challenges with regard to navigating the product portfolio. In addition, implementations have been identified as an area that takes longer than expected and is typically complex, requiring the support of certified systems integrators, although Oracle notes that one of the key objectives of the Oracle SCM Cloud is to reduce the time, cost, and complexity of implementations. The move to a cloud-first mentality will leave a bit of room for Oracle to catch up to other native cloud applications, but Oracle has shown its willingness and ability to acquire where appropriate (recently NetSuite and LogFire) and leverage its existing and growing base of developers to build cloud applications.
SAP

SAP is a Leader in this IDC MarketScape for integrated supply chain execution and fulfillment.

SAP is a global enterprise application vendor headquartered in Walldorf, Germany. SAP was founded in 1972 and has since grown to an organization of over 77,000 employees. SAP's supply chain execution and fulfillment applications are deployed across the globe and across industry verticals. SAP sells both direct and through the reseller channel, with 77% of sales coming direct, 21% coming from VARs/distributors, and 2% coming from systems integrators.

SAP groups several applications into its suite/platform for logistics/execution called "SAP Logistics and Order Fulfillment," consisting of the following applications: SAP EWM (WMS), SAP TM (TMS), and SAP Track and Trace. While the applications are part of the "SAP Logistics and Order Fulfillment" offering, each module can also be purchased and implemented individually. SAP's suite of supply chain execution and fulfillment applications provides a complete set of functionality built to support the needs of organizations of any size and across industry verticals, although they compete best at the enterprise level. SAP has built the logistics and fulfillment suite on top of the SAP S/4HANA platform, which enables a singular view of the supply chain coupled with the analytics power of S/4HANA.

Strengths

SAP is a top competitor in the ERP space and has also been providing supply chain execution and fulfillment applications for a very long time. Its applications do very well with existing SAP customers, and the large base of customers provides an abundance of opportunity. The applications are built out to support cross-industry needs, yet SAP's suite of supply chain execution and fulfillment applications are highly customizable in order to modify functionality to meet industry-specific or customer-specific requirements. Customers reference SAP's collaboration and willingness to address product and functional gaps as a strength and are happy with the level of support they receive. SAP has a robust network of channel partners that are well trained and capable of supporting the most complex of implementation and integration needs.

Challenges

The robustness and complexity of the SAP suite of applications makes SAP's offering ideal for the largest and most complex of environments; yet this makes SAP's offerings less appealing to small and midmarket companies that may not require the full feature set. Smaller companies looking for a cost-effective and less feature-rich application may often gravitate toward the smaller vendors in this space. Implementations are often complex and time consuming, requiring the support of SAP's channel of systems integrators.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.
Positioning on the x-axis, or strategies axis, indicates how well the vendor’s future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

Each of the seven vendors evaluated for this IDC MarketScape have robust supply chain execution functionality with the capacity to deliver an integrated approach to supply chain execution and fulfillment. All of the vendors evaluated ended up in the Leaders or Major Players segments because of the ability to meet the core requirement of having the capacity to deliver on an integrated approach. While there remain differences among the competitors, IDC Manufacturing Insights would feel comfortable recommending any of these companies for manufacturers or retailers looking to standardize on an application platform and create an integrated approach to supply chain execution and fulfillment.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Integrated supply chain execution is the notion that all supply chain execution processes and technology are aligned to provide optimal supply chain execution performance and enable “fast fulfillment.” Essentially, a truly integrated supply chain execution strategy is where all supply chain execution processes and systems are designed to operate as a seamless entity as a way to deliver the best possible fulfillment experience to customers without sacrificing accuracy or quality. This can be quite challenging because of the fact that there are many different applications required to manage a manufacturing supply chain as well as multiple locations, business units, and business functions, all with processes often designed without consideration to the impact that decisions in one area can have on the performance of another area. Indeed, most supply chain execution applications are designed to interface and align to other relevant applications; however, oftentimes, it is the business process and situational decision making that lead to disconnected supply chain execution. Firms that are able to design business processes and implement enabling systems with the objective of creating a seamless flow of information and action relative to supply chain execution often outperform their peers in terms of customer service, supply chain performance metrics, and cost management.

Strategies and Capabilities Criteria

Tables 1 and 2 provide key strategy and capability measures, respectively, for the success of integrated supply chain execution and fulfillment application providers.
<table>
<thead>
<tr>
<th>Strategies Criteria</th>
<th>Market-Specific Subcriteria Definitions</th>
<th>Subcriteria Weightings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offering strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functionality or offering road map</td>
<td>Future plans for offering functionality are well aligned with current and future customer needs and with priority customer segments.</td>
<td>3.0</td>
</tr>
<tr>
<td>Delivery model</td>
<td>Plans are in place for support of offering delivery model(s) that will match customers' shifting preferences for adoption/consumption in the next five years and allow them to successfully capture revenue flow as it shifts among different delivery models (e.g., packaged software versus SaaS).</td>
<td>1.0</td>
</tr>
<tr>
<td>Cost management strategy</td>
<td>Strategies for developing and producing the supplier's offering lead to competitive offering costs and support competitive pricing, customer engagement, and future opportunities.</td>
<td>1.0</td>
</tr>
<tr>
<td>Portfolio strategy</td>
<td>The offering is well supported and enhanced by a portfolio of complementary offerings offered by the company or its ecosystem of partners.</td>
<td>1.0</td>
</tr>
<tr>
<td>Future integration strategy</td>
<td>This criterion measures how well vendors support the ideal integration strategy for a given product type — for example, in some cases, the ideal is a service-oriented architecture (SOA) across the application components supporting integration at the business process level. Vendors must be able to show the planned development of their integration capabilities in the near future and clearly articulate their future approach for integration.</td>
<td>4.0</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>10.0</td>
</tr>
<tr>
<td>Go-to-market strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing model</td>
<td>This criterion measures how well the supplier's pricing model strategy is directly aligned with customers' preferences for payment (e.g., license, service, per seat, per transaction).</td>
<td>3.0</td>
</tr>
<tr>
<td>Sales/distribution strategy</td>
<td>This criterion rates how closely the sales/distribution strategy is aligned with the way customers want to buy the offering (e.g., online, offline, direct, indirect).</td>
<td>2.0</td>
</tr>
<tr>
<td>Marketing strategy</td>
<td>The marketing strategy measures whether there is a robust game plan/strategy for all relevant facets of marketing (e.g., brand development, promotion, demand generation) that matches where revenue is predicted to flow over the next five years.</td>
<td>2.0</td>
</tr>
</tbody>
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# TABLE 1

**Key Strategy Measures for Success: Integrated Supply Chain Execution and Fulfillment**

<table>
<thead>
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<th>Strategies Criteria</th>
<th>Market-Specific Subcriteria Definitions</th>
<th>Subcriteria Weightings</th>
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<tbody>
<tr>
<td>Customer service strategy</td>
<td>Customer service includes how effectively the vendor retains customers and continues to innovate in customer retention and service areas, with the implication that the company will be able to achieve the level of service and support demanded by customers over the next three years or, as a low-cost provider, has a plan in place for customer service that will be universally embraced.</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Business strategy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth strategy</td>
<td>This model assesses whether the management has a strong formula for growth for the company and one that aligns well with the market trends anticipated over the next three to five years.</td>
<td>4.0</td>
</tr>
<tr>
<td>Innovation/R&amp;D pace and productivity</td>
<td>This strategy assesses how well the company's innovation model maximizes its potential to generate market value.</td>
<td>4.0</td>
</tr>
<tr>
<td>Financial/funding model</td>
<td>This model measures the company's strategy for generating, attracting, and managing capital, maximizing the company's potential for creating market value.</td>
<td>1.0</td>
</tr>
<tr>
<td>Employee strategy</td>
<td>This model measures the company's strategy for attracting, motivating, and retaining talent, maximizing the company's opportunity for creating market value.</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>10.0</td>
</tr>
</tbody>
</table>

Source: IDC, 2016
### TABLE 2

**Key Capability Measures for Success: Integrated Supply Chain Execution and Fulfillment**

<table>
<thead>
<tr>
<th>Capabilities Criteria</th>
<th>Market-Specific Subcriteria Definitions</th>
<th>Subcriteria Weightings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Offering capabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functionality/offering delivered</td>
<td>This criterion measures how well current offerings, architectures, methodologies, and best practices match directly with current customer needs and with current vendor skills to deliver maximum customer benefit.</td>
<td>3.0</td>
</tr>
<tr>
<td>Delivery model appropriateness and execution</td>
<td>Success depends on how well the offering is delivered today in ways that match customers’ preferences for adoption/consumption.</td>
<td>1.0</td>
</tr>
<tr>
<td>Cost competitiveness</td>
<td>This criterion measures whether the cost structure for this offering is competitive yet supports the flexibility required to adjust to the pricing models that customers want today.</td>
<td>1.0</td>
</tr>
<tr>
<td>Portfolio benefits delivered</td>
<td>Success is determined by whether the offering is well supported and/or enhanced by a portfolio of complementary offerings.</td>
<td>1.0</td>
</tr>
<tr>
<td>Integration capabilities</td>
<td>The ideal is still a service-oriented architecture across the application components supporting integration at the business process level. For evaluation, this usually means that providers are able to show the development of an advanced programming language such as .NET or Java. Providers must also be able to clearly articulate their web services approach in applications in use and in their tactical plan.</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Go-to-market capabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing model options and alignment</td>
<td>This criterion measures whether the pricing model is currently aligned with customers’ preferences for payment (e.g., license, service, per seat, per transaction).</td>
<td>3.0</td>
</tr>
<tr>
<td>Sales/distribution-structure and capabilities</td>
<td>The current sales/distribution structure is aligned with the way customers, especially those in high-growth market segments, want to buy (e.g., online, offline, direct, indirect).</td>
<td>2.0</td>
</tr>
<tr>
<td>Marketing</td>
<td>The marketing strategy assesses how well the company’s marketing organization is aligned with the priority customer segments and if it is executing well.</td>
<td>2.0</td>
</tr>
<tr>
<td>Customer service</td>
<td>Customer service measures if the company’s service organization is aligned with priority customer segments and executing well.</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>10.0</td>
</tr>
</tbody>
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<tbody>
<tr>
<td><strong>Business capabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth strategy execution</td>
<td>This criterion measures how well the management is executing on its formula for growth for the company (e.g., by acquisition, organic).</td>
<td>4.0</td>
</tr>
<tr>
<td>Innovation/R&amp;D pace and productivity</td>
<td>This criterion assesses whether the company's pace and productivity of innovation are generating market value.</td>
<td>4.0</td>
</tr>
<tr>
<td>Financial/funding management</td>
<td>This criterion measures if the company is generating, attracting, and managing capital to create market value.</td>
<td>1.0</td>
</tr>
<tr>
<td>Employee management</td>
<td>This criterion measures how well the company is attracting, motivating, and retaining the necessary talent to create market value.</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>10.0</td>
</tr>
</tbody>
</table>

Source: IDC, 2016

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### LEARN MORE

**Related Research**

- *Business Strategy: Closing the Loop – Alignment and Integration Between Supply Chain Execution and Supply Chain Planning* (IDC #US41729916, September 2016)
- *IDC MaturityScape: Integrated Supply Chain Execution 1.0* (IDC #US40152216, June 2016)
Synopsis

This IDC Manufacturing Insights study uses the IDC MarketScape model to provide an assessment of a number of providers participating in the worldwide integrated supply chain execution and fulfillment market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assess providers relative to one another and to those factors expected to be most conducive to success in a given market during both the short term and the long term.

"Integrated supply chain execution and fulfillment is a very hot topic among manufacturing and retail supply chain professionals. Supply chain executives understand that the key to achieving world-class supply chain execution is delivering an integrated approach that enables a seamless flow of material and data across the supply chain coupled with the alignment of business processes," says John Santagate, research manager for IDC Manufacturing Insights' Supply Chain Execution Practice.
About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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