

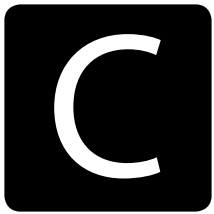
Top Dogs

Technology spending is in an upswing.



2010: The Best-of-Breed Unleashed

Time to retool for growth? | By John Cummings



Companies may not be hiring actual humans as fast as the economic pundits would like, but they're definitely back in the market for software.

IT analyst firm Forrester declared the 2008–2010 technology spending downturn officially over in February.

By April, a report from Morgan Stanley was being greeted with headlines like “Tech Spending Roars Back” — on a projected growth of just 3.2 percent for 2010! But anything positive looked a lot better than the previous year's across-the-board declines. Forrester's latest predictions are decidedly bullish — an impressive 9.1 percent surge for U.S. software purchases this year, with continued strong growth into 2011.

In the best-of-breed software landscape that's emerging, some long-familiar features have become even more prominent. Though the claims of “recession immunity” for the Software-as-a-Service space proved unfounded — nearly all tech vendors were hurting in the depths of the downturn — SaaS providers bounced back early and strong. Strategy consulting firm AMI Partners Inc. predicts a respectable compound annual growth rate of 18 percent for this sector in the small to midsize business market through 2015.

Open-source systems providers survived the tech freeze without too much trouble. Adoption of open-source business intelligence (BI) tools, for example, is doubling every year, according to IT research firm Gartner, forcing the larger commercial providers to defend their turf by offering low-cost “starter editions” of their own products.

It's a tribute to the adaptability of the niche software firms that they've continued to explore new ground in the past couple of years, including the long-heralded migration of enterprise software to mobile platforms. Want your balanced

BEST-OF-BREED VENDOR LISTS 2010

BUSINESS PERFORMANCE MANAGEMENT

A3 Solutions Inc.

A3 Modeling
www.a3solutions.com

Acorn Systems

Acorn Performance Analyzer
www.acornsys.com

ActiveStrategy Inc.

ActiveStrategy Enterprise
www.activestrategy.com

Actuate Corp.

BIRT Performance Scorecard
www.actuate.com

Adaptive Planning Inc.

Adaptive Planning Express/Corporate/Enterprise
www.adaptiveplanning.com

arcplan

arcplan Edge
www.arcplan.com

BizNet Software Inc.

BizInsight
www.biznetsoftware.com

**BOARD International**

BOARD ToolKit
www.board.com

Carpio Solutions

GesFin CPM Suite
www.carpio.com

Centage Corp.

Planning Maestro
www.centage.com

Clarity Systems, an IBM Co.

Clarity
www.claritysystems.com

ClearMomentum Inc.

ClearFinancials
www.clearmomentum.com

Corporater

Corporater EPM Suite
www.corporater.com

Host Analytics

Corporate Performance Management Suite
www.hostanalytics.com

Infor

Infor PM 10
www.infor.com/solutions/pm/pm10

Information Builders

Performance Management Framework
www.informationbuilders.com

Isis Solutions Inc.

ISIS Discovery & Predictive Analytics
www.isis-solution.com

KCI Computing Inc.

CONTROL
www.kcicorp.com

Longview Solutions

Longview 7
www.longview.com

myDIALS Inc.

myDIALS 3.2.2
www.mydials.com

Oracle Hyperion

Oracle Hyperion Planning
www.oracle.com/us/solutions/ent-performance-bi/index.html

Palladium Group

Executive Strategy Manager
www.executivestrategymanager.com

PowerPlan Corp.

PowerPlan
www.powerplancorp.com

PROPHIX Software Inc.

PROPHIX
www.prophix.com

Quantrix

Quantrix Modeler
www.quantrix.com

River Logic Inc.

Integrated Business Planner
www.riverlogic.com

Rocket Software Inc.

CorBusiness
www.corvu.com

SAP BusinessObjects

SAP BusinessObjects Planning and Consolidation
<http://tinyurl.com/235rmz6>

SAS Institute Inc.

SAS Financial Management
www.sas.com

Symphony Metro

SymphonyRPM Performance Management Platform
www.symphony-metreo.com

scorecard on your iPhone? Best-of-breed business performance management (BPM) firm ActiveStrategy can provide that capability, along with access to all your KPIs and project status data. How about some tax research tools on your Blackberry? Check out CCH's new app, CCH Mobile.

For now, the emphasis in best-of-breed mobile tools is on data access, dashboards, and reporting rather than heavy-duty number crunching. But expect this to change as vendors scramble to meet the needs of an increasingly mobile workforce.

A Dose of Vitamin BPM

There are risks to being on the cutting edge, of course, and in the performance management space you could argue that vendors are already running ahead of their market. Strategy management and profitability modeling features have become standard components of many BPM packages, but the level of adoption is low; most implementations remain focused on budgeting, planning, and forecasting. A recent Ventana Research white paper sponsored by *Business Finance* ("Business Intelligence and Performance Management for the 21st Century") found that, in general, organizations are a long way from having achieved maturity in their use of BI and BPM systems. Most have only basic capabilities, such as querying sources for specific data, generating reports from data, and accessing data from spreadsheets for further analysis.

But this is understandable. Finance leaders I've talked to this year, especially in midsize firms, confirm that there's a lot of ROI to be squeezed even from a straightforward, budgeting-focused, BPM project. This was certainly the experience of Debbie Lansford, CFO of CORT, a Berkshire Hathaway Company, who installed a BPM tool from Adaptive Planning last year. "We're making a lot of improvements as we go forward, but we're a medium-market business, a niche type of business," she explained. "We're really the only company in the country that has a national presence in what we do, which is rental relocation services. So we have to design a lot of our own software. I think that it would be difficult and not necessarily cost-

effective for us to move to a really huge BPM system. These little bites that we're doing make a lot of sense."

Step-by-step also made sense to Megan Harris, CFO of Dartmouth, Nova Scotia-based Ocean Nutrition, a supplier of omega-3 food supplements and ingredients. Years of rapid growth had left the company's budgeting and forecasting processes in need of a tune-up. "We had little to no analysis or understanding of the data points," she recalls. "As far as budgeting goes, we're not any different from any other manufacturing firm; we have some risk drivers around cost, prices, currency, and so on. A lot of it for us was understanding sensitivity around assumptions: Was the U.S. currency going up or going down? What does this mean from a P&L viewpoint? Would there be a dramatic increase in the cost of our commodity oil?"

The BPM system's scenario-generation features gave Harris the view that she needed. Asked to name some other benefits of the project, she points to enhanced reporting capabilities: "We're doing weekly revenue runs; we look at customer credit with open orders; we look at credit thresholds; we've got a number of quick, on-the-fly reports within a number of departments that can help us to track and trend, as well as the monthly management reporting package that we send out to the board. This flexibility has been great."

Then there's what she calls the "element of connectedness" between departments. "Everyone has control over their numbers, so they're not as dependent on accounting or finance to give them the details. In the drill-down, they can go into their G/L detailed expenses and see the vendors and the amounts; this has helped immensely. They've become more independent, more confident in how they're looking at data and using the application, and I'd say that overall, for the organization, it's been a massive time-saver."

One area that's ripe for BPM in many organizations is sales; what-if scenario modeling holds great promise for improving sales forecasting. Yet few companies have made the effort to provide their sales force with the dashboards and consistent, data-based decision support that workers in other departments take for granted. BPM vendors haven't made this a marketing focus, and any efforts

to expand in that direction would bump into stiff competition from vendors in the exploding sales performance management (SPM) sector. SPM tools can help companies to improve their sales reporting and analytics, track KPIs, manage objectives and quotas, and plan incentive compensation.

What's Next for GRC?

I was reassured, somewhat, to read in a Deloitte study of global financial institutions back in February that these organizations are stepping up their governance and risk management software investments in a big way. The Big Four firm projected that spending at the world's 100 biggest financial institutions would hit \$200 billion by 2012, fully double what they were spending in 2006, the last full year before the crisis hit. Of course, it's less reassuring to reflect that the big banks were leaders in installing enterprise risk management programs and governance, risk, and compliance (GRC) systems long before the collapse of the housing bubble — for all the good it did. Let's hope that in this case, more is more.

U.S.-based companies in all sectors are looking to upgrade their risk antennas in the wake of the crisis, but they have a long way to go to catch up with their overseas competitors, according to a September report from the American Institute of CPAs and the Chartered Institute of Management Accountants. Among surveyed business leaders in the United States, just 11 percent say that they have a complete, formal ERM process in place; contrast this with 46 percent of respondents in the global firms studied.

IBM's purchase of Open Pages, finalized in October, sent shock waves through the best-of-breed GRC community, which until now has been left relatively undisturbed by the megavendors. The acquisition points to nothing less than a full-scale integration of GRC with BPM. Open Pages VP Gordon Burnes explained the strategy to *Business Finance* contributing editor Eric Krell in September: "IBM will help us to deliver on the vision of integrated risk management through finance and integrated risk management (FIRM), which provides a way for senior executives to make decisions based on qualitative and quantitative risk information combined with

Tagetik

Tagetik 3.0

www.tagetik.com

SALES PERFORMANCE MANAGEMENT

Callidus Software Inc.

Callidus Sales Performance Management Suite

www.callidussoftware.com

Syngy

Syngy Sales Performance Management

www.syngy.com

Varicent Software Inc.

Varicent Sales Performance Management

www.varicent.com

Xactly Corp.

Xactly Sales Performance Management Suite

www.xactlycorp.com

GRC

ACL Services Ltd.

ACL AuditExchange

www.acl.com

Approva Corp.

BizRights CCM Platform

www.approva.net

BWise

BWise GRC Solution

www.bwise.com

Compliance 360

GRC Performance Center

www.compliance360.com

Cura Software Solutions

Cura Comply

www.curasoftware.com

**EMC Corp.**

RSA Archer eGRC Solutions
www.archer.com

Finsbury Solutions

EUC Enterprise
www.finsburysolutions.com

Infogix Inc.

Infogix Insight
www.infogix.com

Lumigent

appGRC
www.lumigent.com

Mega

The Mega GRC Solution
www.mega.com

Methodware

ERA
www.methodware.com

MetricStream Inc.

MetricStream Compliance
 Management
www.metricstream.com

Mitratech

TeamConnect GRC
www.mitratech.com

NEMEA Security Services LLC

NEMEA Compliance Center
www.nemea.us

Neohapsis

NeoGRC
www.neohapsis.com

OpenPages, an IBM Co.

OpenPages Enterprise GRC Platform
www.openpages.com

Oversight Systems Inc.

Oversight
www.oversightsystems.com

Protiviti

GRC Portal
www.protiviti.com

Qumas

QUMAS Compliance Solution
www.qumas.com

Starpoint Software Inc.

Compliance Navigator
www.compliancenaavigator.com

Strategic Thought Group

Active Risk Manager
www.strategicthought.com

Sword Group

Sword Achiever
www.achieverplus.com

Thomson Reuters

Paisley Enterprise GRC
www.paisley.com

Trintech Group PLC

Unity Compliance
www.trintech.com

TREASURY**Calypso Technologies**

Calypso Cash and Treasury
 Management
www.calypso.com

Chesapeake System Solutions

SmartTreasury
www.chessys.com

Clearwater Analytics

Operating Fund Analytics
www.clearwateranalytics.com

C/LECT Consulting Inc.

The C/LECT Cash Preprocessor
www.clectconsulting.com/ccp.html

performance management metrics.”

Will 2011 bring a gold rush of GRC buyouts by the giant ERP firms, similar to what we saw in the performance management space a few years back? I'd put money on it.

Retooling Treasury

For the past couple of years, treasurers have been enjoying a higher level of influence and visibility within the organization than they've experienced before. Well, maybe “enjoying” is not the right word, given how busy they are trying to respond to barrages of management questions about cash balances, counterparty risks, and the health of the investment portfolio.

Consulting firm Treasury Strategies is urging companies to consider technology upgrades as a way to help treasury cope with these demands and prepare for a return to growth. Laurie McCulley, principal in the firm's technology consulting practice, sees plenty to like in the current crop of specialized treasury software, such as “enhanced counterparty risk reporting, improved FAS 157 and FAS 161 compliance, digital dashboards, and different reporting engines — reporting is often a source of frustration for clients.”

Treasury workstation vendor Wall Street Systems went on a spending spree in midyear with its purchase of Speranza, a bank account management software provider, and cash/risk systems firm CityFinancials. For the most part, though, M&A activity in the space has been restrained, with companies preferring to build partnerships to bolster their competitive positions. McCulley points to SunGard's alliance with FiREapps for foreign exchange exposure, reporting, and risk management. “There have been some gaps in treasury management system technology, and the vendors are quickly filling those to come up with a more end-to-end solution for treasury,” she adds.

End-to-end systems have been elusive in both the order-to-pay and order-to-collect zones of the working capital ecosphere. On the **payables** side, companies can select from a dizzying array of technologies, including electronic invoice presentation and payment (EIPP) systems, supplier networks, and automated data capture tools. But paper is still the

most favored mechanism for business-to-business payments, accounting for 68 percent of all invoices, according to technology research and consulting firm Paystream Advisors.

Paper still clogs the **receivables** channel, too, hampering integration among billing, remittance processing, credit risk facilitation, and collections activities. As a result, collections managers often spend hours on the phone every day chasing down the documents they need, when they could be applying their core skills to the high-priority task of squeezing days sales outstanding (DSO).

Collections management software can be a big help for companies looking to streamline and standardize their processes. Joe Prudente has done that on a global scale; he's vice president of worldwide credit with Pointe-Claire, Quebec-based Future Electronics, one of the biggest distributors of electronic components in the world. The company recently completed an upgrade of a SunGard collections system that it's been using internationally since 2003.

After positive results in North America, Prudente recalls rolling out the system to overseas operations where even the basics were pretty sketchy: "The first step when I went to Europe was getting them on the same programs — and when I say 'programs,' I mean just having collection routines and management meetings and saying, "This is what we are trying to achieve for cash collections this month; these are our goals and objectives."

You might think that tightening up collections in different countries would be a minefield of cultural sensitivities. Prudente acknowledges the need for awareness of the cultural norms, but he points out that buying and selling are universal behaviors; whether you're in Italy or India, if you purchase something, you know that the bill will come due and that the seller expects to get paid. "It wasn't so much the customers, it was the culture within Future that needed to change — for example, our salesmen getting offended when you'd call their customers," he recalls. "Well, it's not your customer, Mr. Salesman; it's our customer. We're a for-profit business, and we're not going to be profitable if we're not collecting our bills."

The software gave Future a window into its cash collections worldwide. If the results are poor in Italy, say, Prudente can look at the

numbers and suggest improvements — send that statement a week before the bill's due, make that call, send that reminder. "Now, every one of our teams has basically similar results, whether it be cash collections or aging or DSO, just because the job is done in a similar fashion," he reports. "I could take my staff in Hong Kong, Singapore, Italy, or Spain and swap them if I wanted to; they could do the same exact job in the U.S. or Canada that they do over there. The people who were the biggest skeptics are now the biggest proponents. Now it's ingrained in what we do."

Companies looking to unsnarl paper-based cash management workflows should investigate the **enterprise content management** software sector. While these systems' document management, archiving, and version control features have wide applicability across the enterprise (especially in risk management and tax), more and more businesses are realizing that document imaging capabilities can transform A/P and A/R processes, and vendors are aggressively marketing to that strength.

T&E Days Are Here Again

Travel — entertainment! Just a year ago, the words were starting to take on almost a nostalgic feel in the business context as companies slammed the brakes on both. But as corporate strategists cautiously swing their sights back to growth, they'll need to unlock investments in these two indispensable lubricants of sales expansion efforts.

Best-of-breed T&E software firms are certainly hoping that companies will put some thought into increasing visibility into these expenses and driving down processing costs, which are very variable. The most efficient firms pay \$6.25 on average to process a single expense report; the least efficient pay as much as \$51.35, according to a February study by Aberdeen Group. Automation can bring companies to the lower end of that range and provide actionable information for future sourcing decisions.

The T&E segment remains compact, dominated by familiar names, but the technology is not standing still. New to our list this year is Coupa Software, which offers a cloud-based platform that covers both employee expense reporting and indirect purchases

Emagia Corp.

Emagia Cash Flow Performance Management Suite
www.emagia.com

FINCAD

Fair Value Insight
www.fincad.com

FiREapps

FiREapps
www.fireapps.com

Gateway Systems Inc.

GATEWAY Treasury Management System
www.gatewaysystems.com

IT2 Treasury Solutions Ltd.

IT2 Treasury Management System
www.it2tms.com

Kyriba Corp.

Kyriba
www.kyriba.com

Reval

Reval
www.reval.com

SunGard

AvantGard Treasury
www.sungard.com/avantgard

Thomson Reuters

Treasury
<http://tinyurl.com/29f99wy>

US Dataworks Inc.

Clearingworks
www.usdataworks.com

Wall Street Systems

City Financials
www.wallstreetsystems.com



PAYABLES

Ariba Inc.

Ariba Procure-to-Pay
www.ariba.com

Basware

Basware Purchase Management
www.basware.com

Bottomline Technologies

Bottomline Payment and Cash
 Management Suite
www.bottomline.com

Brainware

Brainware Distiller for Invoices
www.brainware.com

Emptoris

Emptoris Suite
www.emptoris.com

Ketera Technologies Inc.

Ketera Network
www.ketera.com

Kofax

MarkView Financial Suite
www.kofax.com/markview/index.asp

Nexus Systems Inc.

NexusPayables
www.nexusystems.com

Perfect Commerce

PerfectProcure
www.perfect.com

Proactis

Proactis Purchase-to-Pay
www.proactis.com

TradeCard Inc.

TradeCard
www.tradecard.com

Verian Technologies

ProcureIt
www.verian.com

RECEIVABLES AND COLLECTIONS

AFS Financial Solutions

Softrax Billing & Revenue Software
www.softrax.com

Capgent

Capgent Order-to-Cash Suite
www.capgent.com

Coface

@rating Credit Opinion
www.coface.com

Cortera Inc.

eCredit Enterprise Credit
www.cortera.com/ecredit

CreditPoint Software

nSight
www.creditpointsoftware.com

Dun & Bradstreet Inc.

Collections Manager for DNBI
www.dnbisolutions.com/RiskManagement.aspx

Equifax

Business Credit Monitoring
www.equifax.com/business/en_us

Euler Hermes

EOLIS
www.eulerhermes.com

Experian Information Solutions

Tallyman Collections
www.experian.com/tallyman

that might typically be managed through an e-procurement system.

T&E is an obvious candidate for mobile solutions, and Concur was early to the game with its release in March of an application for BlackBerry or Windows mobile phones. The tool enables users to manage itineraries, conduct in-policy travel transactions, and approve expense reports, according to the company.

Tying Tax Together

For evidence of the vitality of this best-of-breed zone, look no further than the major product releases from three heavy-hitters within a few weeks of each other this past fall. A theme runs through them: better integration, both among the tax department's various processes and with its external data sources.

In early October, BPM provider Longview — long noted for its commitment to an integrated vision of tax and performance management — released a new version of its tax reporting engine, Longview Tax 7.0.2. Two weeks later, pure-play tax technology firm Vertex unveiled Vertex Enterprise, an “end-to-end solution” that it's touting as the answer to what it describes (with some justification) as a new “hyper-regulatory” environment. It encompasses indirect as well as direct tax processes. Finally, in November, the Tax & Accounting business of Thomson Reuters released ONESOURCE global tax workstation, which it claims is “the world's first global tax software solution.” Targeted to multinational corporations and large accounting firms, it provides automated workflows that help companies to handle their tax planning, transfer pricing, and global tax reporting needs on a single platform.

Vendors of **fixed asset management** software got a nice boost in September from the Small Business Jobs Act, which extended bonus depreciation rules that had expired in 2009. Companies that use these systems to manage their assets can capitalize on such tax abatement opportunities more easily than those that rely on spreadsheets. Fixed asset management tools can also help users to enforce compliance with tax laws and GAAP rules, establish an audit trail, and manage maintenance schedules. **BF**

ezBackOffice Inc.

ezCash
www.ezbackoffice.com

Fair Isaac Corp.

FICO Recovery Management System
www.fico.com/en/Products/DMApps/Pages/default.aspx

Open Scan

Open Scan Corporate
www.openscan.com

Sentinel Development Solutions

eCollections
www.ecollections.com

SunGard

AvantGard Receivables
www.sungard.com/avantgard

WorkflowAR

WorkflowAR
www.workflowar.com

ENTERPRISE CONTENT MANAGEMENT**Alfresco Software Inc.**

Alfresco
www.alfresco.com

EMC

Captiva
www.emc.com

Hyland Software

OnBase
www.hylandsoftware.com

Metafile Information Systems

MetaViewer
www.metaviewer.com

Open Text

Open Text ECM Suite
www.opentext.com

SpringCM

SpringCM Cloud Solutions for Finance and Administration
www.springcm.com

T&E EXPENSE MANAGEMENT**Concur Technologies Inc.**

Concur Travel & Expense
www.concur.com

Coupa

Cloud Spend Management
www.coupa.com

Cybershift

Cybershift Expense
www.cybershift.com

DATABASICS Inc.

DATABASICS Expense Reporting
www.data-basics.com

ExpensAble

ExpensAble Corporate
www.expensable.com

ExpenseWatch Inc.

ExpenseWatch.com
www.expensewatch.com

ExpenseWire LLC

ExpenseWire
www.expensewire.com

Infor

Infor Expense Management
www.infor.com/solutions/expense/

TAX**ADP**

Taxware Enterprise
www.taxware.com

Avalara Inc.

AvaTax OnSite
www.avalara.com

BNA Software

BNA Corporate Tax Analyzer
www.bnasoftware.com

CCH, a Wolters Kluwer business

CorpSystem
www.tax.cchgroup.com/CorpSystem

CORPTAX Inc.

CORPTAX Advanced Global Provision
www.corptax.com

Pitney Bowes

GeoTAX Enterprise Tax Management
www.tinyurl.com/2eyzmaa

SCH Business Solutions LLC

DI Tax
www.di-tax.com

SpeedTax

SpeedTax Sales Tax Software
www.speedtax.com

TaxSation Inc.

CORPORATE Pro
www.taxsation.net

Thomson Reuters

ONESOURCE
www.onesource.thomsonreuters.com/salesanduse

Vertex Inc.

Vertex Enterprise
www.vertexinc.com

FIXED ASSETS**BNA Software**

BNA Fixed Assets
www.bnasoftware.com/Products/BNA_Fixed_Assets_Solutions

Decision Support Technology

Bassets
www.bassets.net

M.R.S. Co. Ltd.

WorthIT Fixed Assets
www.worthitfixedassets.com

RedMoon

Fixed Assets Manager
www.redmoonsolutions.com