



# Top 20 Emerging 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"*

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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 2020".

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

## 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**

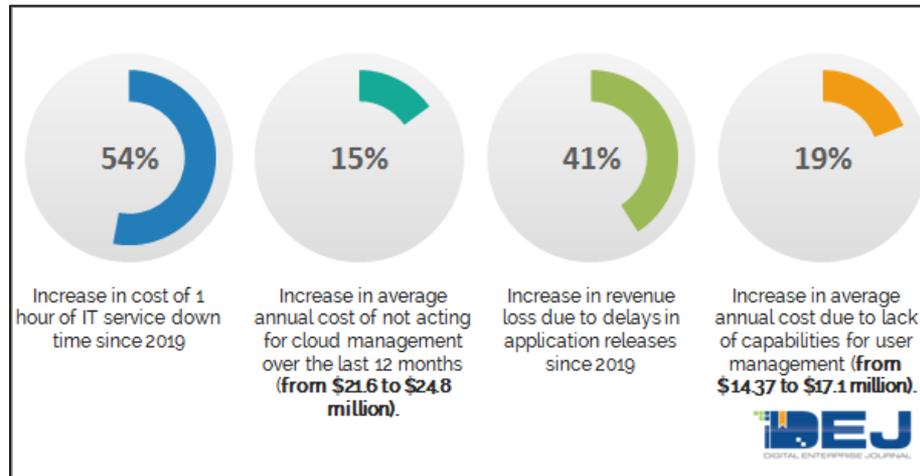
The study found that skills gap is the #1 challenge for adopting a cloud native approach. The research also shows that 68% of an IT team's time is spent on tasks that do not contribute to key business outcomes. Additionally, the study shows that organizations are losing, on average, \$2.82 million annually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

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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.



## 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).

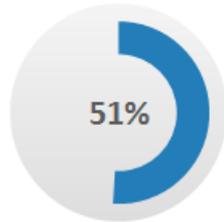
**The following section of this report includes an analysis of eight key areas shaping IT performance in 2022**

# Impact on business outcomes

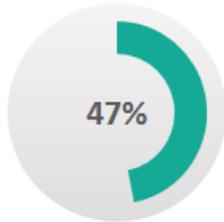
32%

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

Only 39% of organizations in [DEJ's recent research](#) reported that their innovation initiatives had a positive impact on business performance. However, that is not to say that most of the organizations aren't benefiting from innovation, as from the remaining 61%, 51% responded with “don't measure/ don't know”. DEJ's research also shows that correlating IT performance and business outcomes is the #1 capability that organizations are looking to deploy (84% of organizations).



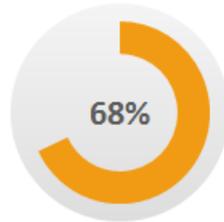
Organizations don't know if innovation is impacting their business performance



Reported unclear impact on business outcomes as the key reason for not completing purchases of technology solutions



Of organizations are looking to deploy capabilities for correlating IT performance and business outcomes



Of capabilities deployed don't have a clear impact on key biz outcomes



The ability to connect the dots between technology value and business outcome is critical for each stage of technology deployments - purchasing, maximizing the value, evaluating, and finally addressing all of the key goals and challenges. Ideally, creating this connection should be a functionality of IT performance solutions, but when it is not, technology vendors should help organizations clearly understand how their solutions are impacting business outcomes.

So what?

75%

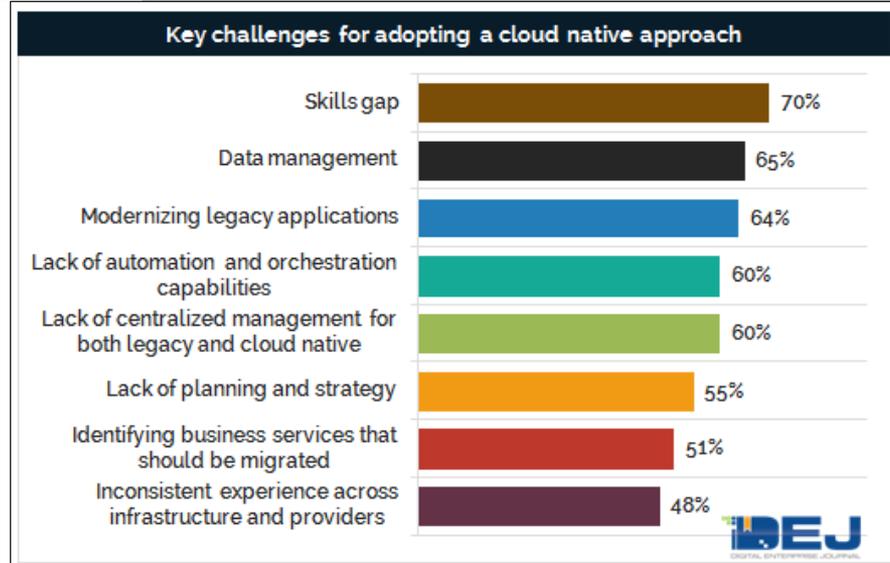
of organizations are experiencing a negative impact on business performance due to technology management issues they are not aware

# Enabling a cloud native journey

68%

Of organizations that adopted a cloud native approach improved their ability to create better customer experiences

DEJ's research shows that organizations that effectively adopted a cloud native approach are more likely to experience business improvements, such as faster releases of new digital services (74% more likely), create new technology-driven revenue sources (64%), and improve competitive position (57%). However, the journey to cloud native includes a number of challenges that range from technology capabilities and measuring the business value to talent management, lack of planning and holistic strategies and changes to organizational culture and business processes.



From a performance management perspective, adopting a cloud native approach is a brand new game. Organizations in DEJ's research reported a 12.4 times increase in the amount of IT data since adopting a cloud native approach. The research also shows a 3.7 times increase in the number of organizations that are forced to innovate to stay competitive, over the last three years. Consequently, the number of organizations that are adopting a cloud native approach increased by 3.9 times over the same period of time. This shows that organizations are realizing that modernization and adopting a cloud native approach are necessary to stay competitive.

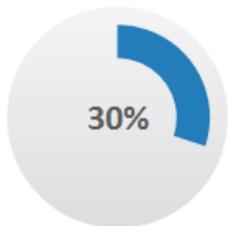
So what?

3.6x

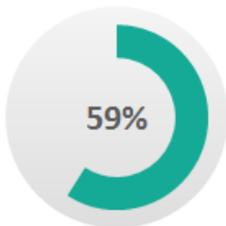
ROI from effectively adopting a cloud native approach

2.5X

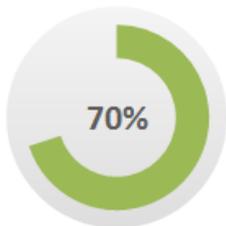
increase in the number of organizations reporting that has become more difficult to find and retain and talent over the last 3 years



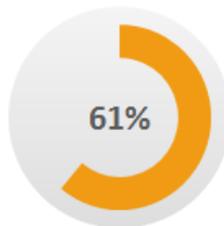
Organizations reported employee churn due to lack of capabilities for building and/or managing digital services



Reported that "engineers on call" is a key challenge for talent retention



Reported workflows and collaboration as a one of the key reasons for developers' frustration



Of engineering leaders reported inability to measure productivity and collaboration of engineering teams as a key challenge



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.

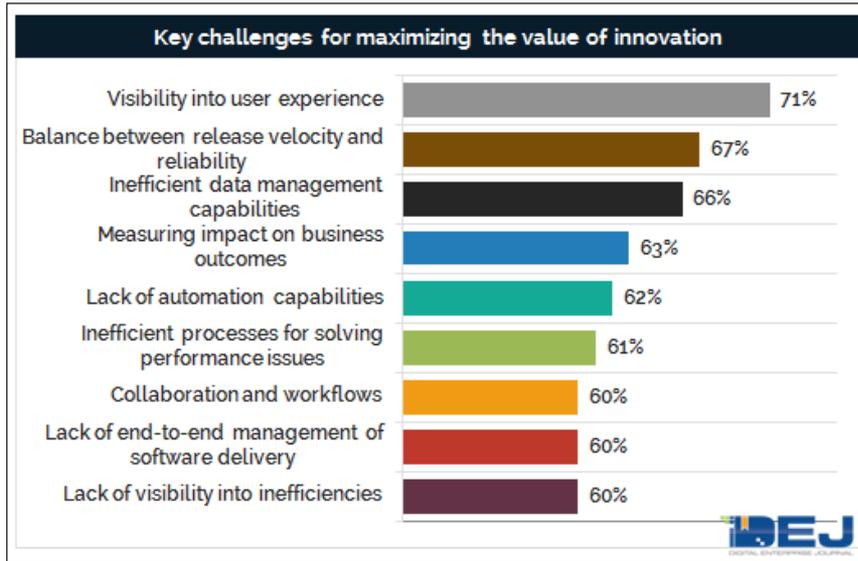
So what?

**\$13.74 million**

Average annual business loss (revenue loss and/or increased cost) due to lack of talent for modernization

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.

So what?

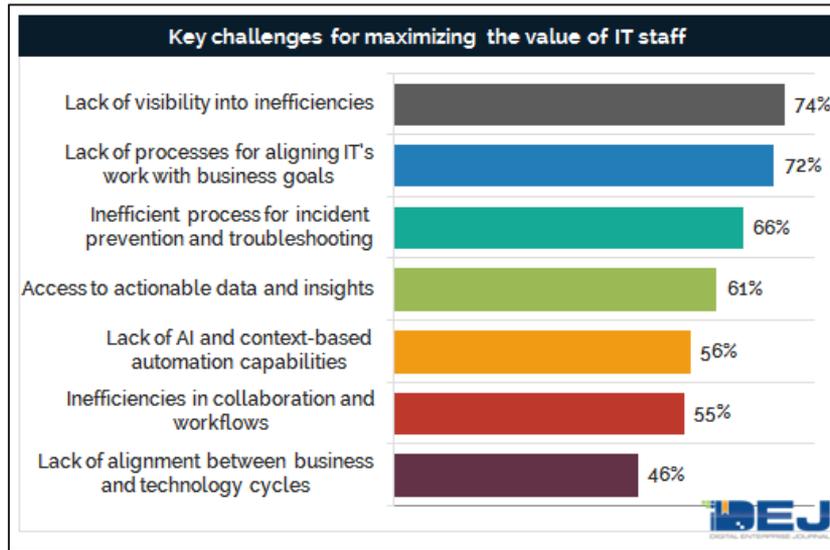
**\$35.5 million**

Average annual loss due to delays in application releases

# Focus on high-value work

68%

of IT team's time is spent on tasks that do not contribute to key business outcomes



Top performing organizations (top 20% of survey participants) are reporting that their engineers and developers are spending nearly 3 times more on unplanned work, as compared to all others. As a result, these organizations are generating 4.7 times more revenue from new digital services, as compared to their peers.

Some of the key capabilities that are enabling these leading organizations to achieve this level of performance include processes for aligning IT's work with business goals, strong collaboration capabilities and visibility into how their resources are being used.

So what?

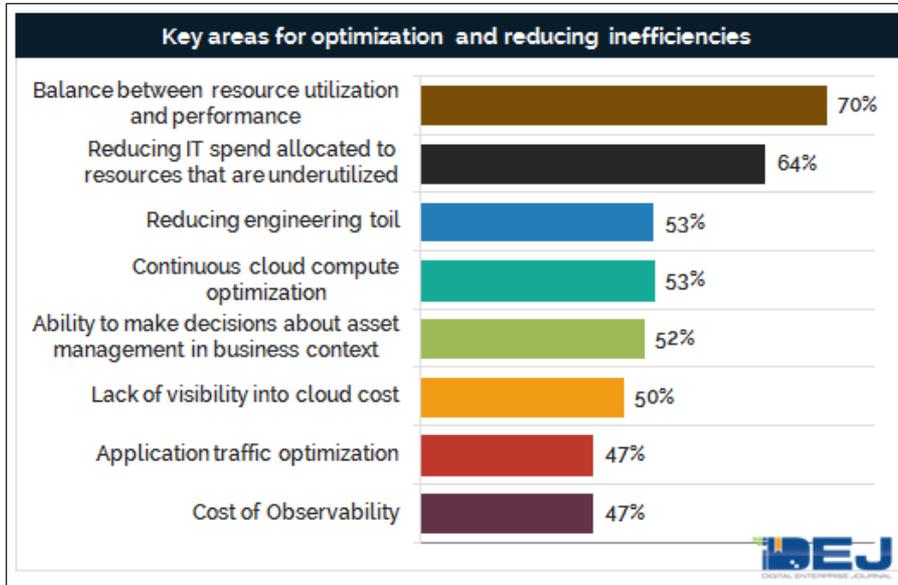
**\$4.91 million**

Average annual revenue loss due to engineers not focusing on business critical tasks

# 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.

So what?

**\$5.1 million**

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

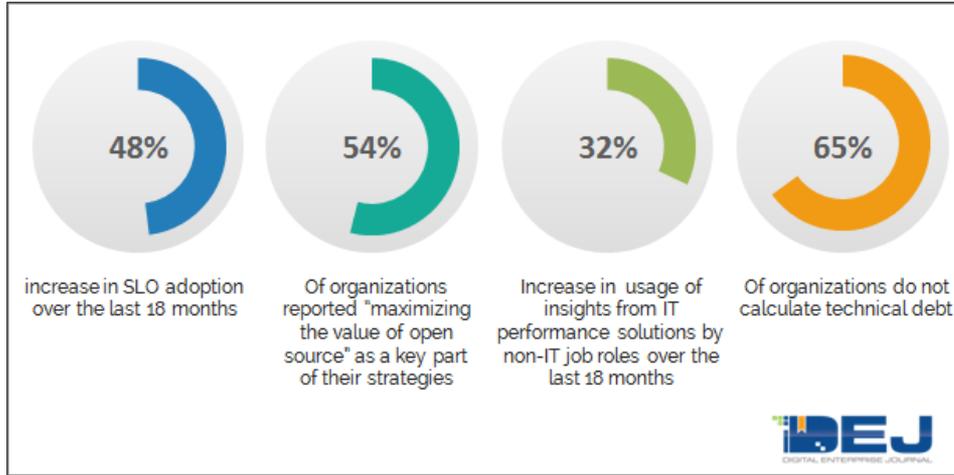
# Teams, tools and processes

44%

more likely to report a lack of processes as the key area for improvement as compared to a lack of tools by engineering leaders

New user requirements for managing IT performance also come with an introduction of new metrics and increasing need for aligning teams, tools and processes. IT executives identified improving processes as the key are for improvement as compared to enhancing technology capabilities.

Some of the key areas identified in the research for enhancing processes is putting more emphasis on making data-driven decisions and improving collaboration.



So what?

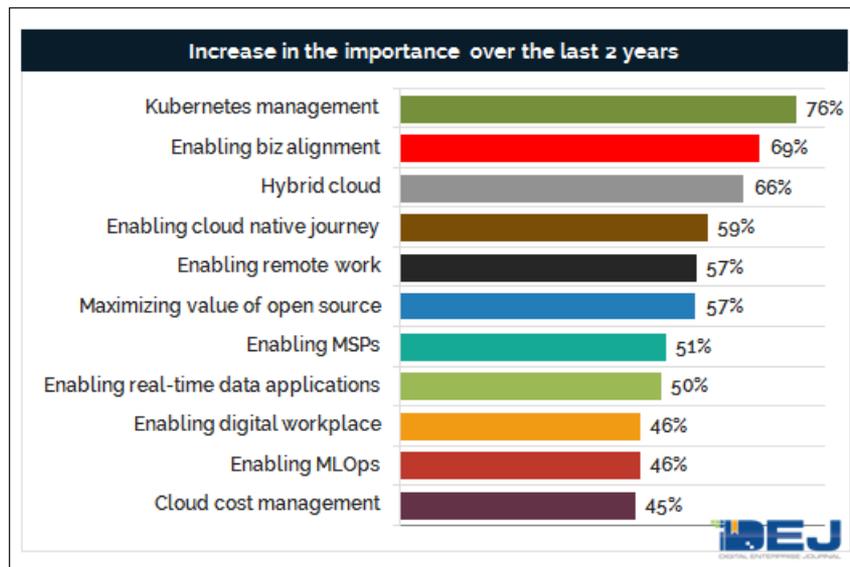
56%

average improvement in customer satisfaction by organizations that are able to align teams, tools and processes

# Key use cases

59%

of organizations reported that their ability to resolve performance issues declined after deploying hybrid cloud environments



The research identified a number of use cases whose importance increased over the last 2 years. It should be noted that high growth rates of some of these use cases are due to their fast emergence and lower deployment numbers in 2020. Also, hybrid cloud and enabling remote work and business alignments were at the top of the list two years ago and their importance continues to grow.

DEJ's 2020 study showed a 28% increase in outsourcing IT performance management efforts. The trend of organizations increasingly turning to MSPs to provide IT performance management capabilities continues in 2022 as user organizations are reporting that they are looking for a holistic solution and not a combination of fragmented tools.

So what?

44%

more likely to report revenue increases driven by technology by organizations that are leveraging MLOps



# vFunction

# vFunction



## vFunction's alignment with key user requirements

vFunction provides a unique AI-powered solution for application modernization that takes monolith applications, analyzes them and intelligently extracts microservices code.

vFunction enables organizations to manage different stages of the modernization process. It starts with an assessment that not only allows organizations to calculate technical debt and prioritize applications for modernization, but also allows them to translate technical debt into monetary figures by using ML-enabled functionalities and calculate ROI.

In addition to the 8 areas listed, vFunction's capabilities are well aligned with user requirements in categories such as Everything in the business context and Modernizing IT service delivery organization

Area	Capabilities / Challenges / Requirements	% of organizations	Vendor's effectiveness
Impact on business outcomes	Looking to deploy capabilities for correlating IT performance and business outcomes	84%	Leader
Enabling a cloud native journey	Modernizing legacy applications reported as a key challenge	64%	Leader
War for talent	Lack of talent for modernization reported as a key challenge	70%	Leader
Managing innovation	Lack of automation capabilities reported as a key challenge	62%	Leader
Focus on high-value work	Lack of AI and context-based automation capabilities	56%	Leader
Optimization and visibility into inefficiencies	Balance between resource utilization and performance	70%	Leader
Teams, tools and processes	Organizations do not calculate technical debt	65%	Leader
Key use cases	Enabling a cloud native journey	59%	Leader

# 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

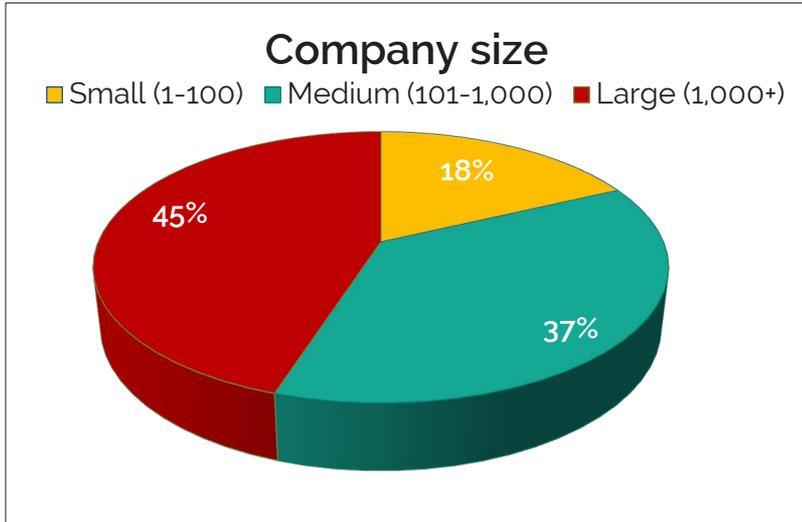
Vendors' capabilities are evaluated on a 5-point scale. 5 - "Leader", 4 - "Strong", 3 - "Average/Adequate", 2 - "Below Average", 1 - "Not offered or partially addressed".

## 03 Competition

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

# Research demographics

This study includes insights from 3,318 organizations



### Geography

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

### Job Role

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

### 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	DEJ	Media
<b>Expertise in vendors differentiators</b>		<b>Engaging content formats</b>
Long publishing cycles		No ongoing coverage of market dynamics
"One size fits all" analysis		Little or no focus on primary research
Costly access to content and findings		<b>Frequent publishing</b>
		Focus on buzz words and "hot" topics
<b>Expertise in market dynamics</b>		No in-depth expertise about vendors
<b>Primary survey research</b>		<b>Free content driving larger audiences</b>
Non engaging content formats		<b>Biz model aligned with modern content marketing</b>
<b>Continuous vendor and technology coverage</b>		

## 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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