

TECH CHOICES



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Servigistics Offers The Most Complete Service Parts Optimization Strategy

The Forrester Wave™ Vendor Summary, Q4 2006

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EXECUTIVE SUMMARY

The Servigistics solution strengths lie in its multi-echelon planning capabilities and reallocation of surplus inventory features. Other strengths include parts visibility and event management enabled via an enterprise-level dashboard, making it a good choice for firms looking to centralize their parts planning operations. Areas for improvement include operational reporting and order recommendation logic.

TARGET AUDIENCE

Business process and applications professional

SERVIGISTICS IS BEST SUITED FOR PLANNING ACROSS A GLOBAL ENTERPRISE

Servigistics is a global company with four offices in North America, one in England, and three across Asia (e.g., Tokyo, Taipei, and Bangalore). Servigistics reported the greatest number of implementation engineers (57) dedicated specifically to this product line at the time of this evaluation. Version 8.1 of Parts Management is Web-based, can run on most of the leading application servers, and supports Oracle, as well as SQL Server databases.

Forrester evaluated Servigistics' current offering and strategy for service parts optimization (SPO) against 119 criteria (see Figure 1). Overall, the product has strong core planning and forecasting, enterprise-level dashboards, and event management, as well as integration with service management. The downside: The product lacks deep out-of-the-box reporting capabilities. This means that the product is an especially good fit for buyers that:

- **Want to forecast, plan, and manage parts at an enterprise and multi-enterprise level.** Servigistics really shines when it comes to planning across multiple nodes and providing enterprise-level visibility into events. Companies trying to centralize parts planning operations should look to Servigistics to help them based on the offering's scalable architecture and command center dashboards. Companies looking to build collaborative planning strategies with dealers, suppliers, and partners will also benefit from this solution given its Web-based architecture and portal functionality.
- **Plan to move toward integrated parts and workforce planning.** Servigistics offers an integrated workforce management solution that helps form the foundation of its strategic service solution. This

is built to help companies plan, track, and manage all service resources within one application. For example, parts dispatch can be coordinated with technician schedules to improve capacity planning. It boasts Dell as a marquee customer; Servigistics' solution provides better visibility across the computer giant's global service operations, improves collaboration with partners on forecasting, and improves customer satisfaction with better on-time delivery.

To see how Servigistics stacks up against three other competitors, see the Forrester Wave™ evaluation of the service parts optimization market.¹

Figure 1 Servigistics Parts Management 8.1 Evaluation Overview

CURRENT OFFERING	
Parts demand forecasting	Servigistics forecasting module is strong across the board, offering unlimited leading indicators with moderate setup, support for detecting seasonality using auto-correlation and automatic or manual best-fit forecast selection using multiple error types depending on the user’s preference. In terms of usability, there are some inconsistencies in the menu structure, but the application shares the same look and feel throughout.
Forecasting and planning interoperability	Servigistics shares a single UI, data model, and code base across its application. The transition from forecasting to planning is seamless and planners can view forecast information, inventory information, and recommended orders all on one screen.
Parts planning	Servigistics’ solution enables the end user to create custom “segments” or groupings of parts, locations, and custom fields. Advanced planning constraints can then be applied to these grouping across multiple echelons. Parts chaining and pooling are supported. Setting up what-if planning scenarios will meet most companies’ basic requirements, but there is room for improvement to make scenario setup and comparison more intuitive. The scenario tool does include cost-benefit analysis, and Servigistics has a network optimization tool available that can be added on. Its capability to enable exceptions-based planning was second only to Oracle, with an easy-to-use dashboard built on a two-click paradigm for quick access to all critical information.
Parts procurement and order management	While parts sourcing and procurement are typically performed outside of the Servigistics suite, the solution does support this without a separate application, if needed.
Parts pricing	Servigistics’ pricing module analyzes and optimizes the selling price of service parts, based on pricing strategies for both competitive and proprietary service part offerings. Servigistics’ pricing combines strategic pricing methodologies, price optimization techniques, market adaptive business logic, and segmentation capabilities.
Parts visibility and event management	Servigistics differentiated itself in this category as the leader, mainly because of its enterprise-level dashboard which provides quick access and visibility to critical alerts and performance measures.
Parts planning and service mgmt interoperability	Servigistics has a parts locator function that can be called from a service management system to synchronize same-day part sourcing decisions with field technician routing and scheduling.
Collaboration	Servigistics provides a dedicated portal for supplier collaboration as part of its suite with built-in security control to restrict access to data. A dedicated portal is not available for 3PL collaboration, but it is possible to set up a 3PL role using the same flexible security framework.
Reporting	Servigistics provides basic reporting to support the day-to-day activities of planners, as well as more strategic dashboard-level reports. Performance reporting is supported with a core set of predefined KPIs. Creating custom reports is not a simple task, however, and requires administrative- or IT-level involvement.

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Source: Forrester Research, Inc.

Figure 1 Servigistics Parts Management 8.1 Evaluation Overview (Cont.)

CURRENT OFFERING	
Vertical specific capabilities	Servigistics has a significant client base in the High-Tech and Automotive industries with marquee customers like Dell, Ford, GM, and Sun Microsystems. It has been rapidly growing into the A&D space with new customers like Rolls Royce and Honeywell. Commercial airlines is an area of growth for Servigistics, which does not have a customer in that space today but is actively building out functionality to meet the unique requirements of that industry.
Deployment options	Servigistics offers both a hosted and an on-premise license deployment. About one-fourth of its customers are hosted. Servigistics offers outsourced planning services, but this does not represent a significant percentage of its business.
Pricing	Servigistics supports multiple pricing models ranging from ASP/term license to perpetual license to gain share. Consistent with the other vendors in this space, pricing is related to the value of the parts being managed in the system.
Internationalization	Servigistics supports multiple languages and currencies in a single instance of the server. Servigistics is built on a fully multilanguage and multicurrency architecture. Users can personalize currency and language display settings without affecting other users. All financial elements on all screens are displayed with the selected currency, including correct number formatting. This includes the ability to establish independent procurement and repair costs based on different reference currencies for each part/location pair. Servigistics currently supports the following languages, and additional languages can be supported for an additional cost: French, German, Spanish, Portuguese, Japanese, Korean, simplified Chinese, UK English, and American English.
Implementation capabilities	The vendor reported the greatest number of implementation engineers (57) dedicated to this product line at the time this was printed. Servigistics reports 90% of its project managers have industry experience. Servigistics has developed a formal account management and transition process, and it conducts classroom training about once every two months.
Product architecture	Servigistics has an edge over its competitors because it supports multiple databases (Oracle and SQL Server). It supports role-based access and can provide authorization via any JNDI to all commercially available LDAP directories. It also has support for multiple application and Web servers.
Integration to supporting systems	Servigistics has a standard set of published APIs that can be extended and maintained through upgrades. Integration to ERP systems uses the Servigistics Integration Gateway. Servigistics has integrated to both ERP and CRM systems but does not provide out-of-the-box connectors to any of the packaged solutions. Servigistics reports a Powered by Netweaver certification.

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Source: Forrester Research, Inc.

Figure 1 Servigistics Parts Management 8.1 Evaluation Overview (Cont.)

STRATEGY	
Product strategy and vision	Servigistics is focused on building out its A&D functionality in the short term. Long term, Servigistics is committed to becoming an end-to-end service management solution. A significant percentage of its revenue is dedicated to R&D (60%) to make this happen.
User/customer support	Servigistics' policy is to ensure that there is always an upgrade path for its customers. In terms of global reach, it has four offices in NA, one office in EMEA, and three offices throughout Asia.
Technology partners	Servigistics reports partnerships with system integrators like Accenture and Capgemini. Other partners that complement its functionality include @Road, Antenna, and Microsoft.
MARKET PRESENCE	
Financials	Servigistics reports being profitable and is backed by Bain Capital, which funds ongoing operations.
Installed base	Servigistics reports 22 customers live on version 8.1 of the product and seven active deployments using version 9.0, released in Q2, '06. Overall, Servigistics reports about 70 customers. Servigistics customer references were positive.
Company size	Servigistics is a global company with the majority of its workforce in North America. Call center support is available 24x7 in multiple languages. Year-over-year revenue growth for Servigistics from 2005 to 2006 was reported as more than 70%.


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Source: Forrester Research, Inc.



Smart data for smart decisions

Go online to download additional in-depth data and scores for this vendor and other vendors included in this Forrester Wave evaluation.



SUPPLEMENTAL MATERIAL

Online Resource

The underlying spreadsheet for Figure 1 is available online. The spreadsheet includes more detailed data and scores for this vendor.

This detailed data and scores for this vendor are also available online through an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and readers are encouraged to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

- ¹ Forrester evaluated leading service parts optimization (SPO) vendors across 119 criteria and found that Servigistics is the Leader in the space overall — thanks to its rich parts forecasting and planning capabilities and a clearly defined product road map. Click Commerce is a Strong Performer with the most complete functional solution. MCA Solutions is also a Strong Performer but in order to compete will need to continue to build out its standalone footprint. Oracle's solution shows substantial promise for customers implementing the larger E-Business suite of products. See the December 12, 2006, Tech Choices "[The Forrester Wave™: Service Parts Optimization, Q4 2006](#)."