



Combining Orchestras into a Symphony

New Symphony-Metreo merges pricing and performance management

by Colin Snow | 2/6/2007 | Article ID: M07-08 | Article Type: VentanaMonitor | © 2007 Ventana Research

Summary

SymphonyRPM and Metreo Corp. announced that they have combined development and sales operations to form Symphony-Metreo. The two companies have been working in partnership since February 2006 when the parent company of SymphonyRPM, Symphony Technology Group, acquired the assets of Metreo. They will focus their combined resources and technology on the growing need to connect top-down planning and bottom-up execution. Ventana Research believes that Symphony-Metreo can bring significant innovations to the market for operational performance management software.

Assessment

At first glance, SymphonyRPM and Metreo Corp. looks like an odd couple. Metro provides software for price planning, intelligence, optimization and execution. Its products are deployed at companies such as Grainger, Honeywell and Owens Corning to analyze pricing trends and identify profit improvement opportunities. SymphonyRPM is quite different. This performance management application development platform combines forecasting, planning and modeling with business intelligence (BI) analytics and collaborative workflows. Symphony also has OEM arrangements with vendors including Agile Software and Information Resources, Inc.

Looking deeper, though, the combination makes sense. Metreo brings to Symphony a much-needed direct sales force and practicality in creating software applications that solve specific business problems. For example, Metreo provides four distinct bottom-up pricing applications. Vision is a BI application that measures the pricing performance of products, customers and channels and analyzes pricing trends. Target uses advanced math to recommend the best price. A price execution product called Response enables organizations to evaluate customer sales requests and enforce pricing decisions. And Deal Analyzer examines results from similar deals to make quick suggestions about how to maximize a new deal's pricing. All these products are mature and have established customer bases.

Even though SymphonyRPM provides no packaged applications, it is a technologically rich software platform with many components that can be used to improve or extend the Metreo product line. SymphonyRPM is similar to other BI analytic tools in its dimensional analytic approach and support for drilling, pivoting, filtering and the like, but it goes further than many competitors by enabling users to create phased forecasts within which alternative inputs or new scenarios can be tested against top-level metrics to yield an understanding outcomes and impacts. The platform itself consists of many integrated components not normally found in Web-based development or service-oriented architecture (SOA) platforms. These components include a rules-based, multidimensional online analytical processing (OLAP) tool, user interface wizards and personalized scorecards, dashboards and templates. Symphony also includes predictive analytics, workflow, collaboration and model-sharing features, security, multitier processing, standard application programming interfaces (APIs) and automatic load balancing. This array of features makes SymphonyRPM a suitable tool for top-down integrated business planning; it's no wonder that some customers have used it to create sales and operations planning (S&OP) applications.

Market Impact

Ventana Research believes the demand for operational performance management software will continue to expand as more and more companies conclude they must connect top-down planning with bottom-up execution. Application providers such as Symphony-Metreo have an opportunity serve this market with analytic BI solutions that meet specific operational needs like price, profit and operations planning. The combined company also has the opportunity to develop and market new applications to meet other organizational needs as companies look for new ways to solve their operational reporting, planning and execution problems.

However, it remains to be seen how well this merger will fare in the fast-paced race of vendors. Other performance management software providers, such as Business Objects, Cognos and Hyperion, are on development paths to combine BI with planning and create new analytic solutions. Oracle and SAP are headed in the same direction. SAP partners with Vendavo and offers a price-and-margin management product and has other partners that have developed or are developing analytic solutions on its NetWeaver platform. Nevertheless, we expect that Symphony-Metreo to do well since it ranked among the top four in the Ventana Research 2007 Performance Management Vendor and Product Scorecard, achieving an overall score of 94 points in our semi-annual assessment of technology capabilities to enable performance management.

Recommendation

To connect top-down planning with bottom-up execution, companies need not take a rigid approach that relies on one unifying platform. Instead, they can invest in analytical BI applications that provide immediate business value and return. This model suits investments in price management and operational planning – markets that SymphonyRPM and Metreo serve well. Ventana Research recommends that companies with both planning and execution needs consider Symphony-Metreo products that are both mature and technologically rich.

About Ventana Research

Ventana Research is the leading Performance Management research and advisory services firm. By providing expert insight and detailed guidance, Ventana Research helps clients operate their companies more efficiently and effectively. These business improvements are delivered through a top-down approach that connects people, process, information and technology. What makes Ventana Research different from other analyst firms is a focus on Performance Management for finance, operations and IT. This focus, plus research as a foundation and reach into a community of over two million corporate executives through extensive media partnerships, allows Ventana Research to deliver a high-value, low-risk method for achieving optimal business performance. Learn how Ventana Research workshops, assessments and advisory services can impact your bottom line, visit www.ventanaresearch.com.

Ventana Research Corporate Headquarters

1900 S. Norfolk Street, Suite 280
San Mateo, CA 94403

info@ventanaresearch.com
(650) 931-0880

Ventana Research Europe

2nd floor, Berkeley Square House
Berkeley Square, W1J 6BD London

europe@ventanaresearch.com
Phone: +44 (0) 20 7887 6012