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## Hot Companies To Watch: Q4 Update

Profiles Of Emerging Companies And Technology Trends That Tech Vendors Need To Know About

This is the fourth document in the “Hot Companies To Watch In 2008” series.

by **Christopher Andrews, Reedwan Iqbal, and Edward Radcliffe**

with Jean-Pierre Garbani

### EXECUTIVE SUMMARY

In this series, we highlight interesting new vendors and important technology trends. At Forrester, we've seen a strong interest in emerging technologies among our strategist clients as vendors seek to stay innovative and identify the “next big thing” in the technology marketplace. As with the first three documents in the series, this research describes several interesting companies in areas like application development, personalization, collaboration, and enterprise content management. Despite the diversity of the technologies covered, these companies share similarities in the way they are leveraging new technology trends to bring a more flexible, custom IT experience to their end users. For each company identified, we describe why Forrester thinks it will be noteworthy in 2008 and beyond.

### TO INNOVATE, TECH VENDORS MUST UNDERSTAND EMERGING TECHNOLOGY TRENDS

Many of Forrester's clients have realized that they can no longer generate all of their innovation internally. They are instead tapping external sources of innovation — engaging small, emerging market players through corporate venture capital, partnerships, and acquisitions. As innovation has become imperative in technology markets, finding and adapting to emerging technologies and trends is more critical than ever. A recent Forrester survey found that 75% of tech strategists and marketers said emerging technologies are important or very important to their daily job responsibilities.<sup>1</sup>

To help strategists stay on top of the changing technology marketplace, we've gathered a list of several companies to watch in 2009. While we rely on Forrester analysts to provide the recommendations for these companies, we are interested in companies that fit three primary criteria that correspond to our Tech Horizons innovation research.<sup>2</sup> They include: 1) whether a company's products or services provide a technological advantage over existing solutions; 2) whether the products and services are easy to implement; and 3) whether there is a large potential market for the company's products and services.

We should note that this is not meant to be a comprehensive list, nor are these companies meant to be vendor recommendations (please note that these companies are listed alphabetically). If you'd like more information about the companies or trends listed, please reference the many reports cited in the endnotes section or contact us.



#### Headquarters

Forrester Research, Inc., 400 Technology Square, Cambridge, MA 02139 USA  
Tel: +1 617.613.6000 • Fax: +1 617.613.5000 • [www.forrester.com](http://www.forrester.com)

## THE “HOT COMPANIES TO WATCH” LIST CONTINUES TO GROW

Forrester analysts have added the following companies to our list of hot companies to watch.

### BoxTone

BoxTone’s software helps IT organizations manage, monitor, and support their BlackBerry service. BoxTone’s software provides real-time analysis of BlackBerry-related problems within an organization, allowing IT administrators to prevent or quickly mitigate BlackBerry service problems before the end user knows they exist. With BoxTone’s product in place, IT organizations can measure user emails and application flows, monitor performance, and receive alerts when problems arise. Further, the software provides a library of information to IT managers about troubleshooting BlackBerry service problems. The company gets high marks from users for its easy-to-follow Web-based monitoring and management interface.

- **Why it’s important.** Some 85% of North American enterprises and 70% of European ones now deploy or are in the process of deploying wireless email; further, 77% of North American enterprises and 65% of European enterprises manage and support the BlackBerry operating system.<sup>3</sup> As the use of wireless email spreads deeper and deeper into organizations, IT managers will face increased pressure to support more mobile users for more critical business-related activities, without increasing personnel costs. Solutions like BoxTone mitigate this pressure by bridging the gap between the wireless email provider and the management requirements of the IT organization. BoxTone’s real-time reporting capabilities, security features, and reporting tools help organizations be more efficient and effective with their mobility dollars. Such tools can play a vital role in the development of broader wireless policies.

### Iceberg

Iceberg is a relatively new player that is part of an emerging trend of ready-to-use programming applications. The company provides a Web-based tool that allows virtually any online user to create, apply, and share custom-developed software. By working through drag-and-drop user interfaces, individuals with very limited programming experience can create software applications without having to write code. The company has built in features like scheduling, workflow monitoring, and tracking and allows users to give access rights to the software to others within their organization. The company also provides forums for sharing and marketing custom applications to other end users. While there are several players fighting to become the “platform-as-a-service” (PaaS) standard, Iceberg differentiates itself by allowing users to put applications behind the firewall, thereby addressing some of the security and ownership concerns that many users have about PaaS offerings.

- **Why it’s important.** For several years, Forrester has been citing the need for vendors to create applications that are flexible, adaptable, and user friendly in order to support the increasing business demands on IT.<sup>4</sup> Iceberg’s solution gives application development to the business users themselves, opening up programming capabilities to non-IT users and giving the business

greater access to some elements of computing infrastructure. The evolution of players like Iceberg represents a shift in the technology landscape, as IT becomes more embedded in business and business users become more comfortable with IT.<sup>5</sup> As emerging solutions like Iceberg's become more widely accessible to "technology natives," expect the pace of technology-based business innovation to accelerate rapidly.

## plista

plista is a free application that uses Web 2.0 technologies to create customized delivery of online content. Using both "passive" inputs (such as autonomous preference tracking) and "active" inputs (such as user ratings of Web sites), plista generates new sources of online content — whether they be recommendations for products, services, audio, or video — suited to the interests and tastes of individual users. plista is unique in that it has an element of social networking built into it, allowing recommendations from other approved users in a person's network to be incorporated in the content that is delivered. While the company is still in the beta stage, it has plans to market itself as a personalized advertising network, making the data collected about user habits available to publishers.

- **Why it's important.** The birth of the Internet created a glut of online content, to the point where many users still feel overwhelmed by the results of a simple Google search. The next big step in the development of the Internet is personalization — the ability to streamline the content available online and make it more relevant and useful to the individual. This personalization will benefit both users and businesses: Users will get more relevant online content from a range of sources, seamlessly linked to their social networks and continuously refined to create more relevant content; businesses will gain the ability to target their customers more effectively, based on the activities and preferences of individuals. With a range of options being developed to address this need, simple, cost-effective applications like plista that overlay existing software should become increasingly popular.

## Reply!

Reply! runs an online marketplace for lead generation that uses a similar business model to Google's AdSense product. Using the Reply.com Web site, companies are able to identify the characteristics of the business leads they need — such as leads segmented by geography or by user — and determine, in advance, the maximum price they are willing to pay for those leads. The Web site uses an auction-style format to link buyers and sellers, creating an automated marketplace for targeted lead purchases. While most online lead generation companies still operate with a pay-per-click model, Reply!'s service allows users to pay for each lead that they purchase.

- **Why it's important.** Companies like Reply! represent an increasingly important area of technology marketing called "community marketing" — a new discipline for matching buyer business needs with the capabilities of technology vendors.<sup>6</sup> By leveraging Web 2.0 capabilities,

these marketing vendors give marketers stronger targeting capabilities and more control over their marketing purchases. Companies like Reply! are changing the value proposition of marketing on the Internet — moving from a focus on a model of mass aggregation and distribution of sales information like leads to more targeted, customized interactions. This represents one more step in delivering on the real promise of interactive marketing by allowing customers to monitor and measure the return on investment of their marketing dollars.

### SpringCM

SpringCM is a document management and workflow solution delivered online that enables businesses to facilitate information sharing with minimal investment. Built as a software-as-a-service (SaaS) solution and offered via subscription, the solution simplifies document handling, workflow and collaboration, and business process management, allowing clients to capture content via optimal character recognition (OCR), email, file transfer protocol, and fax. It also features a full range of enterprise content management functionality, such as routing and approval workflow, full-text search, document version control, collaboration tools, and electronic signature requests — all of which are available online.

- **Why it's important.** Information and knowledge management solutions have traditionally been complex, costly, and out of the reach of small and medium-size organizations. While enterprises will continue to support on-premise solutions for their most important business-critical processes, SaaS will increasingly support the management of content for business processes that don't materially differentiate an enterprise or are not essential to a core operation.<sup>7</sup> This trend is leading enterprise content management vendors to offer hosted solutions for areas such as content archiving, lightweight document management, and accounts payable invoice processing — putting document and content management within the practical and affordable reach of more businesses.

### Xceedium

Xceedium's GateKeeper product is an entitlement management solution that allows IT organizations to control access, enforce granular policy, monitor and track activities, and automate targeted reports for auditors to rapidly test controls for high-risk users. With Xceedium's product in place, companies can authenticate, compartmentalize, and contain any high-risk user — such as in-house administrators or outsourced contractors — without putting a footprint on the network, and then allow them authorized access to only selected parts of the IT infrastructure. Firms can remotely monitor the activities of high-risk users, and IT organizations can record user events and generate real-time reports to validate controls for compliance. The Xceedium GateKeeper solution is particularly valuable to IT organizations that must meet strict compliance requirements for internal IT employees or rely heavily on outsourced providers and vendors for infrastructure work. Firms can also use Xceedium GateKeeper to give in-house staff temporary, but limited, access to parts of the IT infrastructure.

- **Why it's important.** More than ever, Forrester hears IT organizations talking about transforming their IT operations to enable the business. As new technologies like virtualization, SOA, and cloud computing become hot topics in IT, managing secure access to the infrastructure becomes more complex and more prone to security risks. Implementing even minor infrastructure changes may require the use of third-party specialists or other unknown users. In an environment where the regulatory and compliance requirements are difficult to manage, solutions like Xceedium's give security and risk management groups peace of mind that high-risk activities are being controlled, monitored, and recorded, and IT operations professionals can still efficiently meet operational goals. In distributed IT environments or remote locations, the GateKeeper products may help reduce IT personnel costs by allowing remote specialists to securely access authorized parts of the IT infrastructure.<sup>8</sup>

## RECOMMENDATIONS

### LEARN ABOUT EMERGING TECHNOLOGIES BEFORE SETTING YOUR LONG-TERM STRATEGY

The companies highlighted in this report represent a new wave of innovation that is likely to affect many technology vendors in the coming years. To better understand these market trends, we recommend that you:

- **Continue research on the trends.** If particular companies and trends outlined above seem particularly relevant to you or your organization, make sure you read the related Forrester reports and pay special attention to other reports from those Forrester analysts. Look for additional research on many of these subjects to continue in 2009.
- **Prioritize their importance to your firm.** Not every one of these companies and trends will matter to every single technology company. Your company should not, however, be too quick to dismiss these trends as too niche or as irrelevant to current strategy. Forrester expects these emerging trends to have a growing effect on technology markets in coming years; organizations that have the patience to understand these trends and that know which ones are most relevant have much to gain.
- **Understand additional companies.** As noted, the firms listed are not unique to their marketplaces. Each of the vendors mentioned has competitors, large and small, that are seeking to shape the market by riding similar technology trends. If you are interested in a particular trend, we highly recommend that you fully explore and begin tracking the additional companies in the market.
- **Consider the impact on your long-term strategy.** Simply researching trends and companies and then placing your work on the back burner is not enough. Think very carefully about how the trends listed relate to your company's strategic plans and then set your strategy accordingly. Do simple scenario planning for how these trends will shape your market and how your company can adopt, address, or defend itself against these trends.

- **Use emerging trends as a way to shape innovation.** Do some creative work about how these trends will shape your company's innovation initiatives. Relating your company's strengths and weaknesses to the changing needs of customers is an ideal way for companies to begin the innovation process. Remember: The technology leaders of the future will be the companies that can understand and adapt to changing customer needs, tie them to their own unique capabilities, and set their company strategy accordingly.

## SUPPLEMENTAL MATERIAL

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## ENDNOTES

- <sup>1</sup> In a 2008 study of technology strategists and marketers, Forrester asked respondents to rate a series of market-related topics on their level of importance to individual job responsibilities. Competitive intelligence, innovation, and emerging technologies topped the list. See the October 21, 2008, "[The Priorities Of Tech Strategists And Marketers](#)" report.
- <sup>2</sup> To help strategists identify and evaluate the factors that influence success in an emerging market, Forrester has created a three-part innovation assessment tool. Technology strategists can use the tool to evaluate three critical components of an emerging market — adoption factors, implementation factors, and market factors — and use the results to inform a more robust S-curve forecasting methodology. See the May 8, 2008, "[Forrester's Tech Horizon's Methodology: Predicting Which B2B Innovations Will Succeed](#)" report.
- <sup>3</sup> The wireless email landscape is complicated — no email system easily pushes email out to all devices — and the result is pain and cost for IT managers. See the April 17, 2008, "[Treating Wireless Email Headaches](#)" report.
- <sup>4</sup> As part of our 2007 reports on Digital Business Architecture, we called on tech vendors to recognize that IT shops must be able to provide value instantly. See the September 24, 2007, "[The Dynamic Business Application Imperative](#)" report.
- <sup>5</sup> Every aspect of the enterprise is increasingly embodied in the technology it uses, from process application-driven business operations to Internet-based interactions with customers and suppliers. See the May 7, 2007, "[Business Technology Defined](#)" report.
- <sup>6</sup> Forrester defines community marketing as the application of marketing processes and resources to assimilate a supplier into customers' adoption networks and activities in order to support better business outcomes. See the May 7, 2008, "[Community Marketing: A New Discipline For Business Technology Marketers](#)." report.
- <sup>7</sup> SaaS will increasingly support the management of content for business processes that don't materially differentiate an enterprise or are not essential to a core operation like email archiving or team collaboration.

See the November 9, 2007, “The Forrester Wave™: Enterprise Content Management Suites, Q4 2007” report and see the October 4, 2007, “The Top Five Technology Trends That Affect Your Enterprise Content Management Strategy” report.

- <sup>8</sup> Remote management tools like Xceedium’s are just one component of consolidating and optimizing branch architecture. See the October 4, 2006, “The Evolving Branch Office: Intelligently Reducing Your Network Infrastructure Footprint” report.