

Why Rate IT Suppliers?

Business technology purchasing decisions are complex processes often involving huge amounts of money and time. Organizations deal with an ever-expanding roster of suppliers. More often than not, executives are caught in a dilemma: opinions from leading industry analyst firms are often too vague or too contradictory to be useful beyond just a short list. Too little due diligence on a potential supplier can put the business at risk, but too much time spent on vendor research can lead to missed targets for business initiatives. The risks faced by buyers in this context are significant. No executive wants to be in a situation when a long-term technological and financial commitment is made to a supplier company only to realize within a short period of time that the company is having financial difficulties, that its business practices reflect a nickel and dime approach to customer service or that the company strategy leads to a financial and market dead-end. Whether applied to new purchases or to an existing solution portfolio, MGI 360 is a consistent, clear vendor rating system that can help IT organizations get a head start on supplier due diligence, speed up sourcing, reduce risks and improve vendor relationships.

About MGI Research

MGI Research is an independent industry research and advisory firm focused on disruptive trends in the technology industry. MGI Research was founded in 2008 by a group of senior analysts and executives from firms such as Gartner, Soundview and Morgan Stanley.

Through its research, ratings, advisory engagements, industry studies and conferences, MGI Research helps clients identify opportunities for reducing IT costs and minimize technology risks. MGI Research analysts work closely with user organizations to create practical strategies for new initiatives such as mobile, virtualization, SaaS and cloud computing.

MGI Research analysts typically bring with them over twenty years of tech industry experience as IT and/or vendor executives, Wall Street professionals, management consultants or academics.

Since its founding, MGI Research emphasized application of highly quantitative and structured methods in creating decision support frameworks for its clients. MGI has since created a number of proprietary industry metrics, benchmarks and indices such as the MGI 10KScore, MGI Cloud30 Index, and the MGI 360 Ratings.

For additional information or to schedule a confidential consultation, call +1 888 801-3644 or visit www.mgiresearch.com

MGI 360 Ratings: Structured Intelligence

MGI 360 Ratings is designed to help technology buyers save money, time, and reduce risk when selecting a vendor. In today's digital economy, IT is integrated into nearly every new business initiative. Technology markets move fast and today's smart buyer needs up-to-date tools to assess which solution and vendor is the best fit for their needs. Amidst the vendor hype, it's hard to determine what a product actually does, gather input from real customers, and quickly create a short-list of vendors to seriously consider. MGI 360 Ratings condense hundreds of hours of research into simple, easy to understand ratings and recommendations.

MGI 360 Ratings provide a single score for each vendor based on a scale of 1-100 (100=Best) in a specific market. Additionally, analysts assign an outlook for each company:

Positive - we expect company prospects to improve

Negative - we expect company prospects to decline

Neutral - we expect company prospects to remain unchanged

Under Review – no opinion is formed as of yet

MGI 360 Ratings and analyst outlook are compiled for a specific market. When a sufficient number of companies in a given

Key Benefits

- Get to your short list faster
- Reduce project risk
- Avoid implementation and support disappointment
- Ensure a healthy supplier relationship and strong vendor support
- Uncover vendor shortcomings before they occur
- Mitigate the possibility of post-acquisition “cost creep”
- Independent, quantitative analysis free from industry hype

Deliverables

- Ratings reports on top vendors
- A long list of all the vendors in the space
- An in-depth Market Analysis and Sector Ranking Report
- Access to the Ratings team

market are rated, a Market Rating Report is published to reflect peer group average scores.

Actionable Advice

Each company rating includes user recommendations for the best use cases of a given solution, and calls out in plain English when a product or vendor should be avoided. Each company rating also provides bottom-line recommendations for how to get the most value from each vendor, regardless of their overall score.

MGI 360 Ratings imposes the same evaluation standard on each rated company - public or private, large or small – all are held to the same exact standard. Although ratings are comparable across markets to an extent, the numerical scores provided by MGI 360 are the most applicable within a given market. The MGI 360 Ratings methodology delves into product features and functions, vendor viability, product implementation, integration, and support issues. Included are stack rankings of vendors – making it simple and easy to compare vendors and products. The overall score is comprised of five equally weighted major categories that account for up to 20 points in the following areas:

- **Product** – Product Breadth & Depth, Implementation, Support
- **Management** -- Management Team/Board of Directors, Overall Company Talent
- **Strategy** -- Strategy and Marketing
- **Channels** -- Sales and Distribution Channels
- **Finances** -- Financial Health

Interpreting and Using the Rating Scores

A company with a high score in each of the above categories will be a firm whose products are positioned to dominate their sector, whose management has the relevant experience and track record for success, whose strategy is scalable and realistic, that has the sales channels with the right focus and size to generate success in the marketplace and who is sufficiently healthy financially to support its customers, invest into products, and withstand economic adversity.

Each of five major categories is divided into 5 to 7 sub-categories and then into 3-10 inputs. In total the overall MGI 360 Rating score is comprised of over 140 unique data points. In addition to referencing the overall rating, users should consider the individual category ratings as well. For example, users making a tactical purchase may be less concerned with the Finances score, and more interested in comparing Product scores. Conversely, for a strategic purchase in which considerable internal resources will be dedicated, users may place more emphasis on the financial viability and management team scores with the understanding that the user will be working collaboratively with the vendor to craft a unique solution thereby rendering the current product score less meaningful to the decision criteria.

Availability

Currently available MGI 360 Ratings:

- SaaS Billing software
- Select data center/colocation providers
- Select SaaS applications

Coming Soon:

- Cloud Infrastructure (public cloud vendors, colocation, hosting, and cloud service providers)
- Mobile Applications infrastructure (mobile device management, security, and apps management tools)
- SaaS (procurement and mid-market financials and manufacturing applications)

Pricing

- MGI 360 Ratings are available a la carte and via subscription.

If you are interested in learning more about MGI 360 along with subscription terms and pricing, contact: Morgan Wynn, Director, MGI Research.

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The Process

The ratings process is highly structured and curated by MGI Research senior analysts. Vendors do not pay to receive a rating. The MGI Ratings team typically interviews supplier company management and in some cases reaches board members and/or key investors as part of the process. During these interviews, MGI analysts follow a highly structured set of standard questions, with the answers then translated into specific scores in each evaluation area.

The ratings team also interviews customers and partners and solicits inputs from a variety of industry sources not provided by the company. The MGI 360 Ratings teams are comprised of analysts with high level of experience in technology business and typically with a prior track record of at least 20+ years as an IT practitioner, industry analyst or an IT executive.

The 360 Ratings process is continuous and the results are updated on an on-going basis as new information about a supplier company becomes available. A company that operates in several markets is likely to have individual ratings for each market covered by MGI Research.

This comprehensive approach to rating technology vendors is objectively structured and gives business teams and IT professionals an expert view of a market, the leading vendors, and the trade-offs that IT buyers face when selecting a solution.

Advisory Panels

The MGI Research CIO Council and Industry Expert Advisors provided input into the ratings methodology. With a goal of creating a comprehensive, yet practical assessment so users can better understand the strengths, weaknesses, and best use-cases for a given solution. Collectively the CIO Council and Expert Advisors have procured and deployed billions of dollars' worth of IT solutions. Continuous input from the CIO Council and Industry Expert Advisors ensures the MGI 360 Ratings Methodology is current, relevant, and applicable to today's digital business demands.

Bottom Line:

MGI 360 Ratings help IT organizations make more informed purchasing and strategy decisions for new and existing technology suppliers, minimize risks, save money, and save time. MGI 360 provides concrete scores that clearly demonstrate differences amongst suppliers.