

Market Share

Worldwide IT Automation and Configuration Management Software Market Shares, 2020: Moderate Growth Amid Pandemic Disruption

Tim Grieser

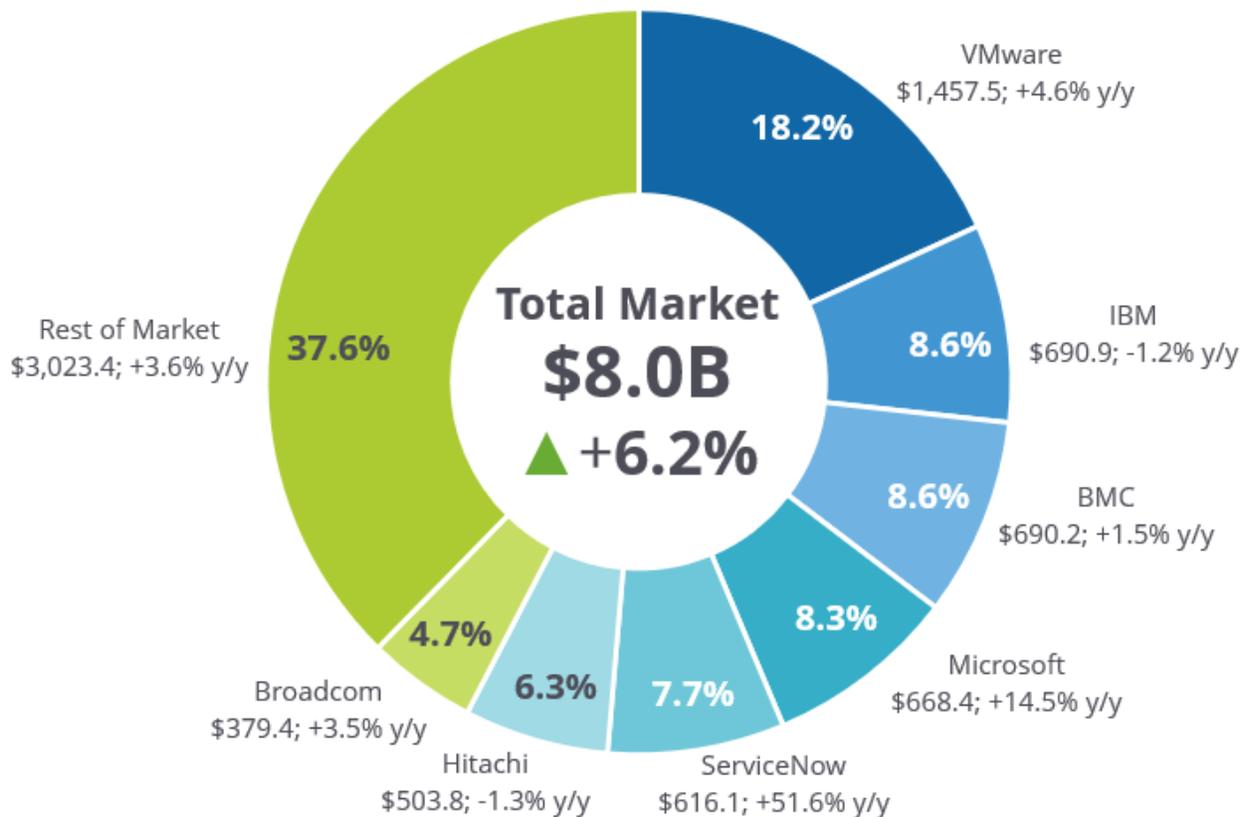
Stephen Elliot

THIS IDC MARKET SHARE EXCERPT FEATURES VMWARE

IDC MARKET SHARE FIGURE

FIGURE 1

Worldwide IT Automation and Configuration Management Software 2020 Share Snapshot



Note: 2020 Share (%), Revenue (\$M), and Growth (%)

Source: IDC, 2021

IN THIS EXCERPT

The content for this excerpt was taken directly from *Worldwide IT Automation and Configuration Management Software Market Shares, 2020: Moderate Growth Amid Pandemic Disruption* (Doc # US47758721). All or parts of the following sections are included in this excerpt: Executive Summary, Market Share, Who Shaped the Year, Market Context, Appendix and Learn More. Also included is Figures 1, 2, 3, and 4 and Table 1.

EXECUTIVE SUMMARY

This IDC study provides a competitive analysis of the worldwide IT automation and configuration management (ITACM) software market for CY20. The study includes the worldwide market revenue and growth rate for the total market in 2020 as well as vendor revenue, market shares, and growth rates of the leading vendors. A three-year history showing vendor revenue data and trends for 2018–2020 is provided. ITACM incorporates revenue for software and SaaS solutions previously reported in the workload scheduling and automation software market, together with portions of revenue from the previous change and configuration management software market. For more details, see the Market Definition section and refer to *IDC's Worldwide Software Taxonomy, 2021* (IDC #US47588620, April 2021).

The worldwide IT automation and configuration management software market grew to \$8 billion in 2020, a 6.2% growth from 2019, measured in U.S. dollar current currency. Refer back to Figure 1 for a summary snapshot of the total market and leading market share vendors in 2020. Refer to Table 1 for a detailed list of vendors active in this market. Refer to Figure 2 for a comparison of market revenue for 2018–2020 in constant versus current currencies. Refer to Figure 3 for a snapshot of 2020 market revenue by geographic region. Refer to Figure 4 for a summary of revenue by public cloud services and on-premises solutions.

This IDC study examines market shares for the worldwide IT automation and configuration management software market for 2020.

According to Stephen Elliot, program vice president, Infrastructure and Operations Management Software at IDC, "The worldwide IT automation and configuration management software market achieved 6.2% growth in 2020 as IT executives continued to invest in automation across infrastructure and operations and development teams. Private, hybrid, public, and multicloud investments, when combined with automation investments, are driving higher ROIs and faster business outcomes."

ADVICE FOR TECHNOLOGY SUPPLIERS

As the focus of the market pivots away from traditional workload management and job scheduling solutions toward the automation of infrastructure and application configuration, provisioning, DevOps life-cycle operations, and orchestration of cloud and software-defined datacenter environments, IDC expects market leaders will continue to expand the range of technologies they support. Tools to simplify the creation, updating, and deployment of standardized infrastructure and application profiles provide enterprise IT teams with the opportunity to streamline operations, reduce human error, and more rapidly respond to the needs of dynamic, digital, and mobile applications. IDC also expects there

to be an accelerated adoption of automation technologies as the COVID-19 disruption places pressure on IT organizations to move faster, contain and reduce costs, and improve the ability to scale to respond to fast-changing business priorities. Growth areas are expected to include:

- Infrastructure and application configuration workflow orchestration and template management
- Container management automation and orchestration
- Automated cloud service provisioning, migration, and optimization
- DevOps life-cycle support
- Fee-based automation and orchestration add-ons to public cloud IaaS and PaaS
- Over time, the ability to drive automated remediated actions based on policy-driven, real-time events and analytic models
- Use cases that include incident, problem, and change management, as well as rising interest in cloud-native application models that can take advantage of intrinsic automation

Workload management software will remain a stable and profitable market for vendors that continue to invest in support for big data and analytics, complex ERP workload management, DevOps relevant inclusion, and self-service reporting and workflow controls. However, IDC believes pure-play workload management solutions will gradually see growth opportunities erode as datacenter automation vendors and open source-based innovators step up to help orchestrate complex workload management flows. Vendor acquisitions and market consolidation are expected.

Conversations with infrastructure and operations (I&O) teams reveal some critical decision points as they modernize their management tools: IT automation and configuration management tools are being seen by IT executives as a way to embed the competitive advantages of speed and quality; as such, investments continue to address traditional IT environments and modern application architectures. The reality is that both environments are critical to business success. The automation of technology processes and the orchestration of multiple processes are critical and increasingly required to enable scale for I&O teams as software delivery cycles increase. The role of public cloud architectures will also provide "intrinsic automation," whereby the platforms themselves will utilize automation for certain functions as part of software development and operations life cycles, embedding automation as part of the workflows and reducing toil and IT overhead on some manual tasks.

IT organizations are also heavily investing in Infrastructure as Code initiatives, or the process of managing and automatically provisioning/deprovisioning datacenter resources through external definition files (code), rather than manual configurations. The growing importance of development, CI/CD, automated workflows, and faster, more frequent deployments are having an impact on software quality and business outcomes. Customers view this as a modern approach that reduces costs, delivers a faster time to market, reduces repetitive tasks, and enables an ability to standardize across a multicloud environment.

MARKET SHARE

According to IDC estimates, worldwide IT automation and configuration management software revenue grew by 6.2% to reach \$8 billion in 2020. VMware was the market revenue and share leader in 2020, with \$1.46 billion in revenue and 18.2% market share. IBM and BMC were tied for second place, each with slightly over \$690 million in revenue and 8.6% market share. Microsoft was next, with \$668 million revenue and 8.3% share. Table 1 provides a list of vendors having at least \$10 million in IT automation and configuration management software revenue in 2020.

TABLE 1**Worldwide IT Automation and Configuration Management Software Revenue by Vendor, 2018-2020 (\$M) (\$M)**

	2018	2019	2020	2020 Share (%)	2019–2020 Growth (%)
VMware	1,343.50	1,393.00	1,457.50	18.2	4.6
IBM	707.2	699.6	690.9	8.6	-1.2
BMC	655.1	679.7	690.2	8.6	1.5
Microsoft	454.6	583.8	668.4	8.3	14.5
ServiceNow	266.3	406.3	616.1	7.7	51.6
Hitachi	478.7	510.5	503.8	6.3	-1.3
Broadcom	348.9	366.6	379.4	4.7	3.5
Fujitsu	277.7	294	299.9	3.7	2
Cisco	288	285.2	272.8	3.4	-4.3
Hewlett Packard Enterprise	222.2	220.2	219.9	2.7	-0.1
Other	2019.9	2118.8	2231.1	27.8	5.30
Total	7,062.00	7,557.60	8,029.80	100	6.2

SOURCE: IDC'S WORLDWIDE SEMIANNUAL SOFTWARE TRACKER, APRIL 2021

WHO SHAPED THE YEAR

This excerpt was prepared for VMware but also included the following vendors: IBM, BMC, Microsoft, ServiceNow and others.

VMware led the market in 2020 with \$1.46 billion revenue, representing a market share of 18.2%. VMware continues to take a strategic focus on its management portfolio, spreading R&D investments across core management suites (vRealize Suite and vCloud Suite) that can enable a lower TCO for its franchise products across datacenter, desktop, networking, security, telecom, and storage products. VMware has increased in sales posture on management capabilities over the past three years and continues to use Enterprise License Agreement (ELA) renewal cycles as a way to position management tool capabilities for the Global 2000 and midmarket accounts. The move to add more SaaS delivery solution options across the Cloud Management Business Unit has also been well received by customers.

Red Hat Ansible, now a part of combined IBM and Red Hat, continues to garner both Red Hat OpenShift and non-Red Hat customer interest for its ease of use, agentless architecture, and automation capabilities for configuration management and workflow orchestration. The growing strategic importance of management to Red Hat is accelerating Ansible's awareness across Red Hat's organizational structure. Red Hat Ansible has also been populated across the broader IBM software and services portfolio as the default automation solution for IBM customers pertaining to core Red Hat Ansible use cases.

According to IDC estimates, BMC Software had \$690 million revenue in this market. BMC's Control-M continues to be a core product line, and as such, R&D investments continue to improve this product line for the company via multicloud and DevOps support. The product is on an annual release cycle, and BMC has put forth resources to make customer upgrades to the latest product release as painless as possible. BMC views this portfolio as a core investment area for the company and continues to provide customers with its vision for the Autonomous Digital Enterprise (ADE), enabling customers to deliver value with Control-M.

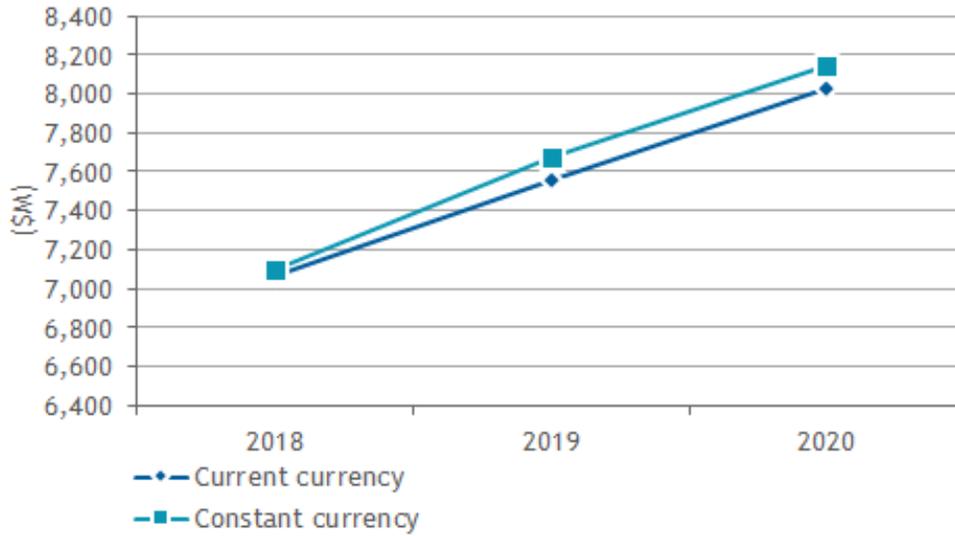
Hitachi's JP1 flagship workload automation solution provides broad, enterprise-scale automation capabilities across enterprise systems, business and IT operations, IT infrastructures, and on premises, hybrid, and public clouds, with support for multicloud environments. The product has a long history in the marketplace, with a very strong customer base in Japan and a presence in China and the EMEA region.

MARKET CONTEXT

Requirements for IT automation and configuration management software are being driven by the need to optimize applications and infrastructure supporting digital and customer-facing applications in dynamic environments. The impact of the global pandemic strengthens these requirements' key drivers and inhibitors that can impact vendors in this market including rate of cloud adoption, changes in software licensing and spending, and variations in currency exchange rates. IDC includes constant currency measures in our market share documents to provide an indication of overall market developments excluding the effects of fluctuating exchange rates. The value of the U.S. dollar was up marginally against other currencies in 2020 over 2019. The 6.2% current currency, or "as reported," growth in 2020 translates, when ignoring the impact of exchange rates, to constant currency growth of 6.0%. This is an important distinction as readers of this document digest its content. Considering constant currencies, Figure 2 shows worldwide ITACM revenue for 2018–2020 for constant and current currencies. The constant currency revenue of \$8.14 billion in 2020 slightly exceeds the current currency revenue of \$8.03 billion.

FIGURE 2

Worldwide IT Automation and Configuration Management Software Revenue, 2018-2020: Current Currency and Constant Currency

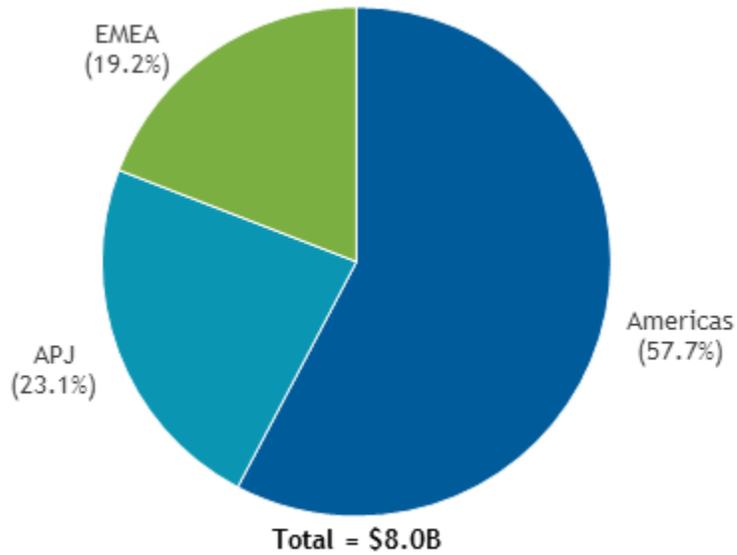


Source: IDC's Worldwide Semiannual Software Tracker, April 2021

Vendor revenue in this market was impacted by regional conditions. Figure 3 provides a snapshot of the market in 2020 by geographic region. The Americas region had the largest share, with 57.7% of the worldwide IT automation and configuration management software revenue. Asia/Pacific (including Japan) realized 23.1%, and EMEA had 19.2%.

FIGURE 3

Worldwide IT Automation and Configuration Management Software Revenue Share by Region, 2020

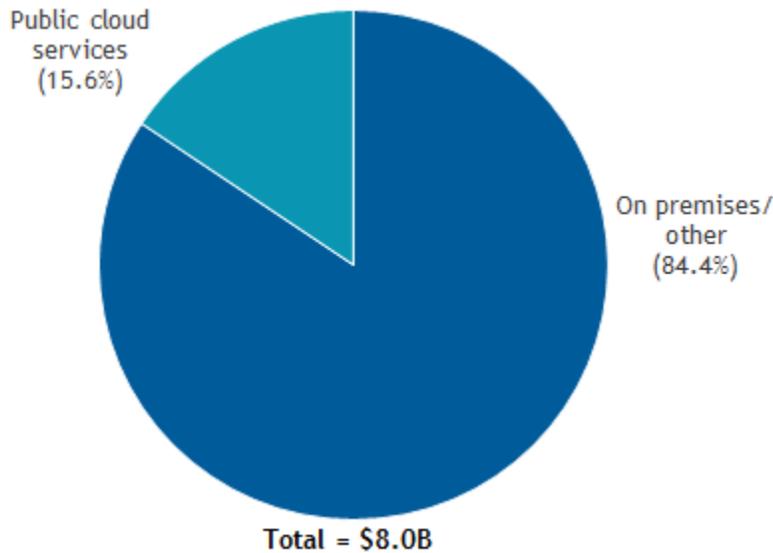


Source: IDC's Worldwide Semiannual Software Tracker, April 2021

Figure 4 provides a snapshot of the market in 2020 by deployment type. On-premises/other software had the largest share, with 84.4% of the worldwide IT automation and configuration management software revenue. Public cloud services had 15.6%.

FIGURE 4

Worldwide IT Automation and Configuration Management Software Revenue Share by Deployment Type, 2020



Source: IDC's Worldwide Semiannual Software Tracker, April 2021

Significant Market Developments

The worldwide COVID-19 pandemic was a strong market inhibitor, negatively impacting IT software spending in 2020. Growth in IT automation and configuration management software revenue slowed to 6.2% in 2020 compared with 7.0% growth in 2019. Another inhibitor to software spending in 2020 was the conversion of traditional software licensing models to subscriptions, often showing revenue declines during the year when conversion is taking effect.

Growth in application complexity and scale, including cloud-native applications and containers, was a market accelerator as organizations searched for ways to deliver content quickly, reliably, and efficiently.

METHODOLOGY

The IDC software market sizing and forecasts are presented in terms of commercial software revenue. IDC uses the term *commercial software* to distinguish commercially available software from custom software. Commercial software is programs or codesets of any type commercially available through sale, lease, rental, or as a service. Commercial software revenue typically includes fees for initial and continued right-to-use commercial software licenses. These fees may include, as part of the license contract, access to product support and/or other services that are inseparable from the right-to-use license fee structure, or this support may be priced separately. Upgrades may be included in the continuing right of use or may be priced separately. These are counted by IDC as commercial software revenue.

Commercial software revenue excludes service revenue derived from training, consulting, and systems integration that is separate (or unbundled) from the right-to-use license but does include the implicit value of software included in a service that offers software functionality by a different pricing scheme. It is the total commercial software revenue that is further allocated to markets, geographic areas and, sometimes, operating environments.

Bottom-up/company-level data collection for calendar year 2020 began in January 2021 with in-depth vendor surveys and analysis to develop detailed 2020 company models by market, geographic region and, in some cases, operating environment.

The data presented in this document is IDC estimates only.

Note: All numbers in this document may not be exact due to rounding.

MARKET DEFINITION

IT automation and configuration management (ITACM) software and SaaS solutions manage the configuration, provisioning, placement, migration, and workload management of on-premises and cloud-based physical and virtual systems, applications, and the workloads these systems support. This includes system configuration and image/template management, system and application provisioning, scaling, and automation for deploying and maintaining images, operating systems (OSs), middleware, and applications onto physical and virtual servers whether located on premises or in public cloud services. It also includes workload management and automation solutions and emerging cloud service brokering, optimization, and self-service provisioning solutions used to enable cloud and software-defined datacenter systems and applications management.

The worldwide IT automation and configuration management software market is made up of two submarkets: workload management (formerly called job scheduling) and datacenter system and application control (formerly datacenter automation). For more information, see *IDC's Worldwide Software Taxonomy, 2021* (IDC #US47588620, April 2021).

RELATED RESEARCH

- *IDC's Forecast Scenario Assumptions for the ICT Markets, April 2021* (IDC #US47665121, May 2021)
- *IDC's Worldwide Software Taxonomy, 2021* (IDC #US47588620, April 2021)
- *Worldwide IT Automation and Configuration Management Software Forecast, 2021-2025* (IDC #US47434321, February 2021)
- *Worldwide IT Automation and Configuration Management Software Market Shares, 2019: Market Expands Ahead of Coronavirus Impact* (IDC #US46397520, June 2020)

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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