IT Operations Management Buyers Guide

Software Provider and Product Assessment

ISG Research

IT Operations Management

Chief information officers and IT leaders face the dual challenge of optimizing IT operations while simultaneously driving innovation in an increasingly complex marketplace. The intricacies involved in managing a diverse array of technology environments require enterprises to harness a multitude of tools and platforms to address unique operational demands spanning various departments and functionalities. Technological advancements often outpace traditional strategies, so it is essential for IT leaders to have a comprehensive understanding of the software at their disposal.

IT Management and Operations software plays a pivotal role in aligning technology initiatives with business objectives. As enterprises strive to enhance efficiency, reduce costs and maintain a competitive edge, these approaches become critical enablers of streamlined operations and effective resource allocation. Furthermore, as enterprises transition to more agile and cloud-centric architectures, IT Management and Operations software platforms facilitate enhanced visibility, control and adaptability across the entire IT stack. This is particularly important as CIOs look to future-proof enterprise architecture and ensure that technology strategies are not only reactive but also proactive in addressing emerging challenges and opportunities.

> **IT Management software platforms facilitate enhanced visibility, control and adaptability across the entire IT stack.**

ISG defines IT Operations Management as an overarching discipline that encompasses the strategic integration of artificial intelligence for IT operations and observability data. Together, these methodologies provide a comprehensive software framework for optimizing the delivery, performance and governance of IT services within an enterprise.

Integrating these systems specifically benefits enterprises by:

- Enhancing operational efficiency by maximizing artificial intelligence and machine learning technologies. AIOps software automates complex IT processes, gathers and analyzes vast amounts of data from diverse sources and identifies anomalies in real time. This intelligent automation enables IT teams to streamline operations, enhance incident response times and predict potential issues before they escalate. The transformative impact of AIOps allows enterprises to deliver high-quality services while minimizing manual intervention and downtime.
- Providing a holistic view of IT system performance. Observability involves collecting, analyzing and visualizing data to understand the internal state of IT systems through their outputs. By implementing observability practices, enterprises can optimize IT operations, enhance incident response times and ensure service reliability. With a

unified approach to observability data, IT leaders can proactively identify and mitigate issues, facilitate collaboration between IT and business teams and ultimately drive operational excellence.

By strategically integrating these approaches, enterprises can optimize the delivery of IT services, enhance operational efficiency and align technology initiatives with business objectives. This unified approach empowers enterprises to navigate the complexities of digital operations effectively. Aligning these technology initiatives with business objectives ensures that enterprises can achieve operational excellence, enhance service quality and respond proactively to challenges. For CIOs and IT leaders, investing in IT Operations Management practices is essential for long-term success and resilience.

Enterprises rely on digital technologies to drive growth and operational efficiency. The rapid convergence of technological advancements, evolving workforce dynamics and shifting market demands makes this an opportune time for enterprises to assess and realign IT Operations Management software strategies and partnerships.

Trends driving the adoption of IT Operations Management software include:

- Accelerated digital transformation. The urgency of digital transformation initiatives has intensified as enterprises maximize technology to optimize processes, enhance customer experiences and gain competitive advantages. CIOs and IT leaders must ensure that IT Operations Management software is agile and scalable enough to support these transformation efforts. By re-evaluating existing solutions and partnerships, enterprises can identify gaps in functionality, performance and integration that could hinder the ability to adapt to new business requirements.

> **The demand for robust IT Operations Management software approaches that cater to distributed teams has surged.**

- The rise of hybrid and remote work environments. The shift to hybrid and remote work models has fundamentally altered how enterprises operate. With more employees working off-site, the demand for robust IT Operations Management software approaches that cater to distributed teams has surged. Enterprises need to rethink strategies to ensure workers can access the tools and resources they require, regardless of location. Evaluating current IT Operations Management software providers will help identify approaches that promote collaboration, streamline communication and secure remote access—all critical in this new working paradigm.
- Cost management and resource optimization. Economic pressures resulting from global uncertainties necessitate a close examination of IT budgets and spending. IT leaders are tasked with optimizing resource allocation while delivering value and performance. Now is the time to scrutinize software contracts and partnerships for

cost efficiencies, such as consolidating vendors or renegotiating licensing agreements. The goal should be to align IT expenditures with business outcomes, ensuring that every dollar spent on IT Operations Management software contributes to achieving organizational objectives.

- Evolution of cybersecurity threats. As reliance on digital platforms increases, so does the risk of cybersecurity threats. Enterprises must ensure that IT Operations Management software includes robust security features that protect sensitive information and safeguard against potential breaches. Assessing current software and partners confirms preparedness to mitigate risks. Strengthening the security posture of IT Operations Management software is essential not only for compliance but also for maintaining customer trust and brand reputation.
- Growing demand for innovation and agility: In a technology-driven economy, the ability to innovate quickly is crucial for maintaining competitive advantage. IT Operations Management software should facilitate agility by enabling enterprises to respond swiftly to changing market conditions. By re-examining software strategies and partnerships, enterprises can identify applications that support rapid deployment, seamless integration and enhanced functionality. Embracing cutting-edge technologies such as AI, ML and automation can propel enterprises forward and enhance operational efficiency.

By understanding the critical factors driving an IT Operations Management software review process—accelerated digital transformation, evolving work environments, cost management, cybersecurity threats and the demand for innovation—CIOs and IT leaders can effectively communicate the importance of this initiative to executive leaders, including the CEO and CFO, as well as the board of directors. A refined IT Operations Management software strategy not only aligns technology with business goals but also positions enterprises for sustained growth and resilience.

GenAI enables IT teams to generate insights from vast amounts of data, facilitating more informed strategic planning and enhancing collaboration among teams.

Generative AI plays a pivotal role in enhancing IT Operations Management software by automating complex processes, improving decision-making and driving efficiencies across various IT functions. By leveraging GenAI, enterprises can streamline service delivery, optimize resource allocation and proactively identify and resolve issues, ultimately leading to improved operational performance. Additionally, GenAI enables IT teams to generate insights from vast amounts of data, facilitating more informed strategic planning and enhancing collaboration among teams. As enterprises embrace digital transformation, IT Operations Management software integrated with GenAI capabilities becomes essential for staying competitive.

Generative AI offers substantial benefits across the core categories of IT Operations Management software—AIOps and observability—empowering IT teams to enhance service quality and operational efficiency. AIOps integrates GenAI to analyze operational data and automate incident responses, enabling faster identification of issues and minimizing operational risks. In observability, GenAI aids in automating performance reporting, enhancing anomaly detection and generating troubleshooting documentation, which supports proactive system monitoring and quick resolution of issues.

Applying Generative AI across these categories fosters a more efficient, responsive and data-driven IT Operations Management strategy. We assert that by 2027, software providers seeking to streamline enterprise IT operations will release GenAI-driven tools to optimize processes such as incident management, resource allocation and performance forecasting. By streamlining workflows, enhancing decision-making and improving resource allocation, enterprises can strengthen IT capabilities and establish a position for long-term success.

Agentic AI holds the potential to enhance IT Operations Management in the future by introducing autonomous decision-making and proactive management capabilities beyond those of GenAI. Its envisioned ability to automate routine tasks, manage incidents and initiate complex workflows in real time could allow IT teams to focus on strategic initiatives. Additionally, Agentic AI could enable self-healing mechanisms to resolve issues automatically, minimizing downtime and improving service reliability. In AIOps, it is expected to automate incident management and performance optimization. For observability, it may enhance system monitoring and incident response, supporting a proactive, data-driven IT strategy and helping enterprises optimize operations to achieve strategic objectives.

CIOs and IT leaders should approach IT Operations Management software that incorporates GenAI, LLMs and future Agentic AI capabilities with enthusiasm and caution. While these technologies offer significant benefits, they also come with unique challenges and prerequisites. A holistic evaluation must include technical aspects and business, ethical and strategic considerations. Other areas of focus include risk awareness, critical infrastructure, organizational readiness, governance and compliance and a long-term perspective on the sustainability and scalability of AI approaches.

ISG believes a methodical approach is essential to maximize competitiveness. It is critical to select the right software provider and product to improve the performance of your enterprise's people, process, information and technology components.

Our IT Operations Management Buyers Guide research provides a 360-degree view of a software provider's ability to optimize the delivery, performance and governance of IT services within an enterprise. Separate Buyers Guide research reports are available for ITSM, FinOps, AIOps and Observability software.

This IT Operations Management Buyers Guide evaluates products based on two software segments—AIOps and observability. Capabilities evaluated for IT Operations Management include collaboration and communications, data visualization, event correlation, GenAI and machine learning, intelligent automation, performance monitoring, predictive analytics, root-cause analysis, security and compliance, self-healing features, anomaly detection and proactive alerts, insight sharing, data collection and integration, open-source framework support, real-time monitoring and visualization, troubleshooting tools, scalability and integration with existing tools. To be included in this Buyers Guide, software providers must meet or exceed the inclusion criteria and have commercially available products in both AIOps and Observability categories.

The insights gained from understanding current IT Operations Management software providers are invaluable for IT leaders who aim to align their technology investments with organizational goals, optimize workflows and foster a culture of innovation. By investing in the right tools, CIOs can unlock new avenues for growth and transformation, paving the way for enterprises to thrive.

This Buyers Guide report evaluates the following software providers that offer products addressing key elements for IT Operations Management: BMC, Datadog, Dynatrace, Elastic, IBM, LogicMonitor, New Relic, OpsRamp, SolarWinds, Splunk and Zenoss.

Buyers Guide Overview

For over two decades, ISG Research has conducted market research in a spectrum of areas across business applications, tools and technologies. We have designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of the business requirements in any enterprise. Utilization of our research methodology and decades of experience enables our Buyers Guide to be an effective method to assess and select software providers and products. The findings of this research undertaking contribute to our comprehensive approach to rating software providers in a manner that is based on the assessments completed by an enterprise.

> **ISG Research has designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of business requirements in any enterprise.**

The ISG Buyers Guide™ for IT Operations Management is the distillation of over a year of market and product research efforts. It is an assessment of how well software providers' offerings address enterprises' requirements for IT management software. The index is structured to support a request for information (RFI) that could be used in the request for proposal (RFP) process by incorporating all criteria needed to evaluate, select, utilize and maintain relationships with software providers. An effective product and customer experience with a provider can ensure the best long-term relationship and value achieved from a resource and financial investment.

In this Buyers Guide, ISG Research evaluates the software in seven key categories that are weighted to reflect buyers' needs based on our expertise and research. Five are product-experience related: Adaptability, Capability, Manageability, Reliability, and Usability. In addition, we consider two customer-experience categories: Validation, and Total Cost of Ownership/Return on Investment (TCO/ROI). To assess functionality, one of the components of Capability, we applied the ISG Research Value Index methodology and blueprint, which links the personas and processes for IT operations management to an enterprise's requirements.

The structure of the research reflects our understanding that the effective evaluation of software providers and products involves far more than just examining product features, potential revenue or customers generated from a provider's marketing and sales efforts. We believe it is important to take a comprehensive, research-based approach, since making the wrong choice of IT operations management technology can raise the total cost of ownership, lower the return on investment and hamper an enterprise's ability to reach its full performance potential. In addition, this approach can reduce the project's development and

deployment time and eliminate the risk of relying on a short list of software providers that does not represent a best fit for your enterprise.

ISG Research believes that an objective review of software providers and products is a critical business strategy for the adoption and implementation of IT operations management software and applications. An enterprise's review should include a thorough analysis of both what is possible and what is relevant. We urge enterprises to do a thorough job of evaluating IT management systems and tools and offer this Buyers Guide as both the results of our in-depth analysis of these providers and as an evaluation methodology.

How To Use This Buyers Guide

Evaluating Software Providers: The Process

We recommend using the Buyers Guide to assess and evaluate new or existing software providers for your enterprise. The market research can be used as an evaluation framework to establish a formal request for information from providers on products and customer experience and will shorten the cycle time when creating an RFI. The steps listed below provide a process that can facilitate best possible outcomes.

1. Define the business case and goals.
   Define the mission and business case for investment and the expected outcomes from your organizational and technological efforts.
2. Specify the business needs.
   Defining the business requirements helps identify what specific capabilities are required with respect to people, processes, information and technology.
3. Assess the required roles and responsibilities.
   Identify the individuals required for success at every level of the enterprise from executives to frontline workers and determine the needs of each.
4. Outline the project's critical path.
   What needs to be done, in what order and who will do it? This outline should make clear the prior dependencies at each step of the project plan.
5. Ascertain the technology approach.
   Determine the business and technology approach that most closely aligns to your enterprise's requirements.
6. Establish software provider evaluation criteria.
   Utilize the product experience: Adaptability, Capability, Manageability, Reliability and Usability, and the customer experience in TCO/ROI and Validation.
7. Evaluate and select the technology properly.
   Weight the categories in the technology evaluation criteria to reflect your enterprise's priorities to determine the short list of software providers and products.
8. Establish the business initiative team to start the project.
   Identify who will lead the project and the members of the team needed to plan and execute it with timelines, priorities and resources.

The Findings

All of the products we evaluated are feature-rich, but not all the capabilities offered by a software provider are equally valuable to types of workers or support everything needed to manage products on a continuous basis. Moreover, the existence of too many capabilities may be a negative factor for an enterprise if it introduces unnecessary complexity. Nonetheless, you may decide that a larger number of features in the product is a plus, especially if some of them match your enterprise's established practices or support an initiative that is driving the purchase of new software.

Factors beyond features and functions or software provider assessments may become a deciding factor. For example, an enterprise may face budget constraints such that the TCO evaluation can tip the balance to one provider or another. This is where the Value Index methodology and the appropriate category weighting can be applied to determine the best fit of software providers and products to your specific needs.

Overall Scoring of Software Providers Across Categories

The research finds Splunk atop the list, followed by Dynatrace and BMC. Providers that place in the top three of a category earn the designation of Leader. Splunk has done so in six categories, BMC and Datadog in four categories, Dynatrace in three, Elastic and New Relic in two and IBM in one category.

The overall representation of the research below places the rating of the Product Experience and Customer Experience on the *x* and *y* axes, respectively, to provide a visual representation and classification of the software providers. Those providers whose Product Experience have a higher weighted performance to the axis in aggregate of the five product categories place farther to the right, while the performance and weighting for the two Customer Experience categories determines placement on the vertical axis. In short, software providers that place closer to the upper-right on this chart performed better than those closer to the lower-left.

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Overall

Providers	Grade	Performance
Splunk	B++	Leader 78.6%
Dynatrace	B++	Leader 78.1%
BMC	B++	Leader 75.9%
Datadog	B+	75.0%
IBM	B+	74.3%
LogicMonitor	B+	72.7%
New Relic	B+	71.2%
Elastic	B+	71.0%
SolarWinds	B	67.7%
Zenoss	B-	61.4%
OpsRamp	B-	58.7%

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Source: ISG Research
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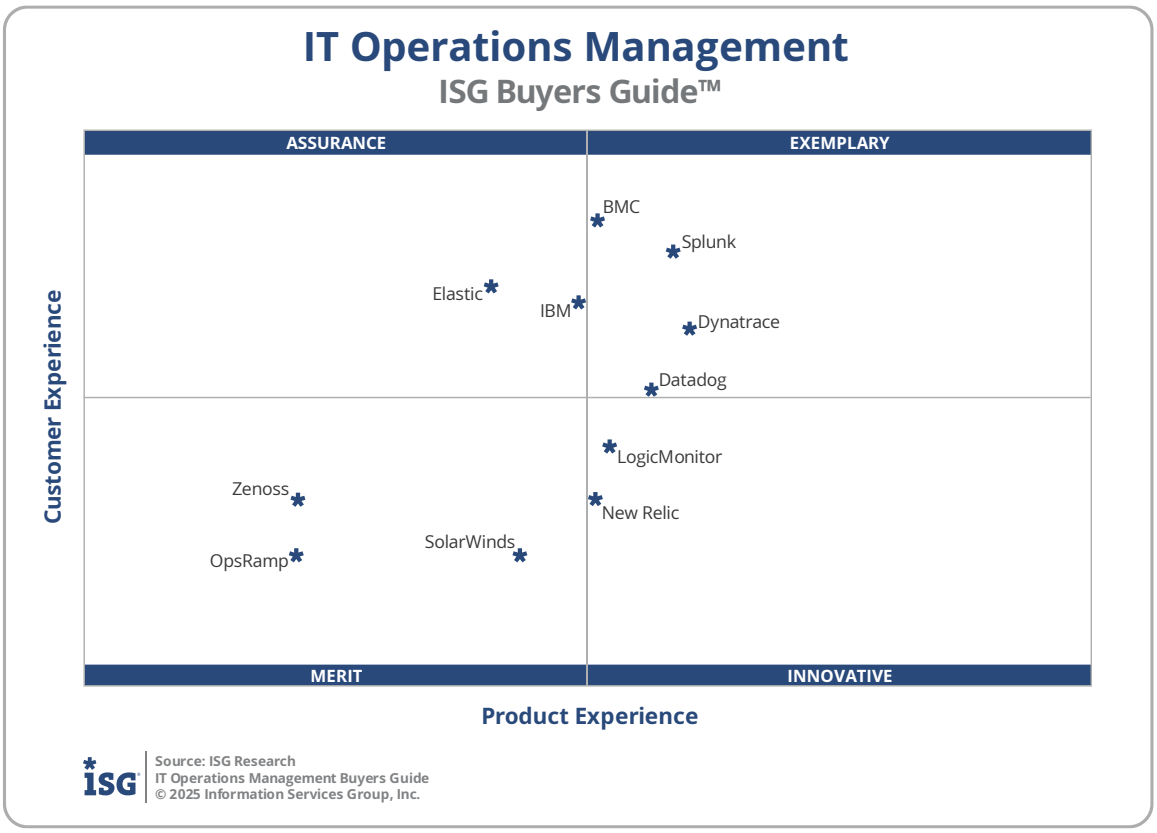
The research places software providers into one of four overall categories: Assurance, Exemplary, Merit or Innovative. This representation classifies providers' overall weighted performance.



Exemplary: The categorization and placement of software providers in Exemplary (upper right) represent those that performed the best in meeting the overall Product and Customer Experience requirements. The providers rated Exemplary are: BMC, Datadog, Dynatrace and Splunk.

Innovative: The categorization and placement of software providers in Innovative (lower right) represent those that performed the best in meeting the overall Product Experience requirements but did not achieve the highest levels of requirements in Customer Experience. The providers rated Innovative are: LogicMonitor and New Relic.

Assurance: The categorization and placement of software providers in Assurance (upper left) represent those that achieved the highest levels in the overall Customer Experience requirements but did not achieve the highest levels of Product Experience. The providers rated Assurance are: Elastic and IBM.

Merit: The categorization of software providers in Merit (lower left) represents those that did not exceed the median of performance in Customer or Product Experience or surpass the threshold for the other three categories. The providers rated Merit are: OpsRamp, SolarWinds and Zenoss.

We warn that close provider placement proximity should not be taken to imply that the packages evaluated are functionally identical or equally well suited for use by every enterprise

or for a specific process. Although there is a high degree of commonality in how enterprises handle IT operations management, there are many idiosyncrasies and differences in how they do these functions that can make one software provider's offering a better fit than another's for a particular enterprise's needs.

We advise enterprises to assess and evaluate software providers based on organizational requirements and use this research as a supplement to internal evaluation of a provider and products.

Product Experience

The process of researching products to address an enterprise's needs should be comprehensive. Our Value Index methodology examines Product Experience and how it aligns with an enterprise's life cycle of onboarding, configuration, operations, usage and maintenance. Too often, software providers are not evaluated for the entirety of the product; instead, they are evaluated on market execution and vision of the future, which are flawed since they do not represent an enterprise's requirements but how the provider operates. As more software providers orient to a complete product experience, evaluations will be more robust.

The research results in Product Experience are ranked at 80%, or four-fifths, of the overall rating using the specific underlying weighted category performance. Importance was placed on the categories as follows: Adaptability (10%), Capability (30%), Manageability (10%), Reliability (20%) and Usability (10%). This weighting impacted the resulting overall ratings in this research. Dynatrace, Splunk and Datadog were designated Product Experience Leaders.

IT Operations Management

Product Experience

Providers	Grade	Performance
Dynatrace	B++	*Leader* 64.2%
Splunk	B++	*Leader* 63.5%
Datadog	B++	*Leader* 62.6%
LogicMonitor	B++	60.7%
BMC	B++	60.4%
New Relic	B++	60.1%
IBM	B+	59.9%
SolarWinds	B+	58.1%
Elastic	B+	56.2%
Zenoss	B-	48.4%
OpsRamp	B-	48.3%

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Source: ISG Research
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Customer Experience

The importance of a customer relationship with a software provider is essential to the actual success of the products and technology. The advancement of the Customer Experience and the entire life cycle an enterprise has with its software provider is critical for ensuring satisfaction in working with that provider. Technology providers that have chief customer officers are more likely to have greater investments in the customer relationship and focus more on their success. These leaders also need to take responsibility for ensuring this commitment is made abundantly clear on the website and in the buying process and customer journey.

The research results in Customer Experience are ranked at 20%, or one-fifth, using the specific underlying weighted category performance as it relates to the framework of commitment and value to the software provider-customer relationship. The two evaluation categories are TCO/ROI (10%) and Validation (10%), which are weighted to represent their importance to the overall research.

The software providers that evaluated the highest overall in the aggregated and weighted Customer Experience categories are BMC, Splunk and Elastic. These category leaders best communicate commitment and dedication to customer needs.

IT Operations Management
Customer Experience

Providers	Grade	Performance
BMC	A-	Leader 16.7%
Splunk	B++	Leader 16.2%
Elastic	B++	Leader 15.4%
IBM	B++	15.1%
Dynatrace	B+	14.7%
Datadog	B	13.7%
LogicMonitor	B	13.1%
New Relic	B-	12.4%
Zenoss	B-	12.3%
OpsRamp	B-	11.4%
SolarWinds	B-	11.3%

Source: ISG Research
IT Operations Management Buyers Guide

Software providers that did not perform well in this category were unable to provide sufficient customer case studies to demonstrate success or articulate their commitment to customer experience and an enterprise's journey. The selection of a software provider means a continuous investment by the enterprise, so a holistic evaluation must include examination of how they support their customer experience.

Appendix: Software Provider Inclusion

For inclusion in the ISG Buyers Guide™ for IT Operations Management in 2025, a software provider must be in good standing financially and ethically, have at least $40 million in annual or projected revenue verified using independent sources, sell products and provide support on at least two continents and have at least 100 full-time employees. The principal source of the relevant business unit's revenue must be software-related, and there must have been at least one major software release in the past 12 months.

The research is designed to be independent of the specifics of software provider packaging and pricing. To represent the real-world environment in which businesses operate, we include providers that offer suites or packages of products that may include relevant individual modules or applications. If a software provider is actively marketing, selling and developing a product for the general market and it is reflected on the provider's website that the product is within the scope of the research, that provider is automatically evaluated for inclusion.

All software providers that offer relevant IT operations management products and meet the inclusion requirements were invited to participate in the evaluation process at no cost to them.

Software providers that meet our inclusion criteria but did not completely participate in our Buyers Guide were assessed solely on publicly available information. As this could have a significant impact on classification and ratings, we recommend additional scrutiny when evaluating those providers.

Products Evaluated

Provider	Product Names	Version	Release Month/Year
BMC	Helix AIOps	25.1	February 2025
	Netreo Ultimate SaaS Edition	25.1.00	January 2025
Datadog	Datadog platform		February 2025
	Datadog Log Management and Analytics		February 2025
Dynatrace	Dynatrace Platform	1.308	February 2025
Elastic	Elastic Observability	8.17	December 2024
IBM	Instana Observability	290	December 2024
	IBM Cloud Pak for AIOps	4.8.1	February 2025
LogicMonitor	LogicMonitor Envision	216	January 2025
	LogicMonitor	216	January 2025
New Relic	New Relic AIOps		February 2025
	New Relic One		February 2025
OpsRamp	OpsRamp	2025.02-U1	February 2025
SolarWinds	SolarWinds Observability		January 2025
Splunk	Splunk AppDynamics	24.10.3	February 2025
	Splunk Enterprise	9.4.0	December 2024
	Splunk IT Service Intelligence	4.19.3	February 2025
	Splunk Observability Cloud		February 2025
Zenoss	Zenoss Cloud	5.7.0	December 2024

Providers of Promise

We did not include software providers that, because of our research and analysis, did not satisfy the criteria for inclusion in this Buyers Guide. The ISG Buyers Guide for IT Operations Management requires products from a single software provider supporting AIOps and IT Observability. These are listed below as "Providers of Promise."

Provider	Product	$40M+ Revenue	Two Continent Sales	100+ Employees
CloudFabrix Software	CloudFabrix AIOps CloudFabrix Unified Network Observability	No	Yes	No

About ISG Software Research and Advisory

ISG Software Research and Advisory provides market research and coverage of the technology industry, informing enterprises, software and service providers, and investment firms. The ISG Buyers Guides provide insight on software categories and providers that can be used in the RFI/RFP process to assess, evaluate and select software providers.

About ISG Research

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About ISG

ISG (Nasdaq: III) is a global AI-centered technology research and advisory firm. A trusted partner to more than 900 clients, including 75 of the world's top 100 enterprises, ISG is a long-time leader in technology and business services sourcing that is now at the forefront of leveraging AI to help organizations achieve operational excellence and faster growth. The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.