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Forrester Wave Methodology Guide

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EXECUTIVE SUMMARY

The Forrester Wave is a data-driven evaluation of a hardware, services, or software market. In our Wave documents and spreadsheets, Forrester exposes all of the criteria we used to grade the vendor offerings, as well as all of our scores and weightings. Clients can modify the criteria weightings in the spreadsheet to create custom vendor shortlists that meet their priorities. Wave evaluations can take from 16 to 25 weeks and include a number of different data sources. This document is your guide to understanding how a Forrester Wave report is created; it outlines the methodology that our analysts use to produce great Forrester Wave research.

WHY FORRESTER CONDUCTS WAVE EVALUATIONS

The Forrester Wave uses a transparent methodology to compare the top players in hardware, services, and software markets, so our clients can make well-informed decisions without spending months conducting their own research and vendor bake-offs. The Forrester Wave offers two big benefits to our clients: 1) detailed analysis of vendors' products and services based on transparent criteria, and 2) an Excel spreadsheet that allows clients to easily compare products and to develop custom shortlists according to their own requirements.

PARTICIPANTS IN THE WAVE PROCESS

A successful Forrester Wave requires the participation of five key players:

- **Analyst: Owns the Wave and its conclusions.** The analyst is the content expert for the Wave. The analyst uses the Forrester Wave methodology to develop the criteria and scoring framework that he'll use to evaluate the participating vendors' products and services. The analyst is ultimately responsible for the content of the Wave and participates in all data gathering processes.

- **Research associate: Manages the Wave process.** The research associate (RA) is responsible for driving and maintaining the Wave project schedule. The RA serves as the main Forrester contact for participating vendors and may participate in data gathering processes including lab days, product demos, and customer reference calls.

- **Content editor: Determines whether the analyst's work meets Forrester's standards.** The content editor for a Wave will be either that analyst's research director, or a tenured analyst who is a subject-matter expert. The content editor enforces Forrester's quality, integrity, and consistency standards. The content editor participates in the Wave process from the beginning, and she must approve all major steps in the Wave process.

- **Vendor response team: Provides detailed product/service information.** The vendor response team gets involved in all aspects of the Forrester Wave research process. Forrester relies on the team's participation to finalize evaluation criteria and to collect and verify product and company information to be published in the Wave evaluation.

- **Customer references: Share their experiences with the products — anonymously.** Forrester will approach each customer reference to schedule a 30-minute phone call with the analyst and/or RA. During this call, the customer reference will be asked questions based on their experience with the service or product being evaluated. Customer references are not listed or named in the published materials unless this is specifically agreed upon prior to publication.

BEFORE AN ANALYST COMMITS TO DOING A WAVE: PREPARATION CHECKLIST

Before putting a Wave on Forrester's research calendar, the analyst must:

- **Research the category thoroughly.** Analysts must conduct initial category research to determine if the category is appropriate for a Wave. Here, analysts ask questions like: Are Forrester clients confused about this market? Does Forrester receive a substantial number of related inquiries about it each month? Will Forrester clients be making buying decisions in the market within the next six to 12 months? Who are the major players in the space?

- **Identify the category or define the scope.** Analysts examine how companies buy in order to define the category scope of a Wave. Analysts ask questions like: Do clients tend to buy a large suite, or smaller, individual solutions? Analysts also consider the most differentiating functionalities when determining the depth of criteria to use.

- **Select an evaluation method.** There are two types of Waves: Lab-based and questionnaire-based. Lab-based Waves include demonstrations of products at a Forrester office (Forrester calls these "lab days"). Analysts conduct lab-based evaluations for two reasons: 1) to investigate an emerging or evolving software market, or 2) to test a set of specific scenarios. Questionnaire-based Waves rely on vendors to fill out Excel-based surveys with product information. Questionnaire-based Waves also often include a two-hour Web-based product demo.

  Both lab-based and questionnaire-based Forrester Wave research projects require three things from participating vendors: 1) a strategy call during which the vendor outlines its product road map and organizational information; 2) a vendor-completed questionnaire about market presence; and 3) customer reference calls.

- **Create the research plan and timeline.** At this point, the analyst, content editor, and RA determine an appropriate project timeline and identify key milestones. Once the timeline is completed, all major milestones are communicated to the vendor response teams.

FORRESTER WAVE PROCESS ROAD MAP: HOW DOES THE WAVE WORK?

The Forrester Wave process spans five key milestones, each of which has specific deliverables. Ideally, all Forrester Wave processes, whether they're evaluating WAN optimization appliances or SOA consulting and integration services, should proceed in exactly the same way.

Milestone 1: Create Evaluation Criteria

In this first phase, analysts work with content editors, RAs, and external experts to:

- **Draft the criteria list.** Analysts must isolate the elements that clients should focus on when buying these products or services. The criteria should be differentiating rather than exhaustive. Meaning? Wave criteria should *not* tell clients absolutely everything about the vendors and products/services — rather, Wave criteria should help clients distinguish between products. For example: If all of the client security products support all of the most common client operating systems (OS), there's no need to include "OS support" among the criteria.

- **Develop criteria explanations.** The analyst must phrase criteria explanations as short questions, optionally followed by a clarification sentence.

- **Get feedback from the content editor and other experts.** The Wave's content editor reviews and edits the first draft of the criteria. The analyst also solicits feedback from fellow analysts and external contacts with relevant expertise.

- **Design scenarios (for lab-based evaluations only).** The analyst creates a set of scenarios that he will use to test for the majority of the criteria. Forrester distributes these scenarios to participating vendors, and we use them during the lab days.

Milestone 2: Select Vendors

In the second phase, the analyst and his team finalize the group of vendors that will participate in the Wave. The team must:

- **Select vendors based on inclusion criteria.** Analysts develop specific criteria that set minimum bars for inclusion. Waves must include between four and 10 vendors. An example of inclusion criteria: The vendor generated an annual revenue of at least $50 million and meets one of two criteria: 1) The vendor's ECM offering includes, at minimum, document imaging, document management, and records management capabilities, or document management, records management, and Web content management capabilities. 2) The vendor is a leading software infrastructure vendor marketing document management and records management capabilities.

- **Send vendor invitations.** Next, Forrester sends formal email invitations to vendors to participate in the Wave evaluation process.[1] These invitations include draft criteria, a date for the official kick-off teleconference, and an outline of the Forrester Wave process, including key deadlines.

- **Hold vendor kick-off teleconference.** The analyst and RA walk through the research process information contained in the email invitation. Specifically, the Forrester team outlines key deliverables and their deadlines and answers any questions that vendors have, including questions about specific criteria.

Milestone 3: Gather Evaluation Data

Once vendors have been selected, Forrester gathers data to support the evaluation.[2] The team must:

- **Distribute questionnaire with criteria.** Forrester creates and distributes a questionnaire based on the evaluation criteria — this questionnaire includes all criteria for non lab-based evaluations. For lab-based Waves, the questionnaire should include only strategy and market presence criteria. Vendors provide responses to each criterion within the Excel spreadsheet. Vendors should limit their responses to two to three sentences and should point to additional documentation when necessary.[3]

- **Conduct lab evaluation (for lab-based Waves only).** Participants (analyst, RA, and two to three individuals representing the vendor) follow the scenarios developed by Forrester to demonstrate the functionality of the product/offering. The lead analyst conducts the hands-on evaluation and drives the product through the scenarios while either the RA or another analyst takes detailed notes in the criteria spreadsheet.

- **Hold executive strategy call.** Forrester holds 60-minute executive strategy calls to explore the vendor's overall marketing strategy. These calls typically occur after the questionnaire response has been received from the vendor and/or the lab evaluation has been completed.

- **Complete customer reference calls.** Forrester will also hold 30- to 45-minute calls with reference customers provided by the vendor. If necessary, the analyst will also speak with other customers for the product or service. The time will be used to verify information received from the vendor via the questionnaire and/or collected during the lab evaluation.

- **Conduct fact-checking.** The Wave team uses all of this information to create a draft Wave scorecard for each vendor, with draft responses to all of the lowest-level criteria.[4] The vendor receives a copy of this information for fact-checking. Vendors have one week to review this scorecard information. If necessary, the analyst and RA conduct calls with each vendor to resolve any questions or discrepancies.

Milestone 4: Create Vendor Comparison Tool And Write Forrester Wave Document

In phase 4, Forrester produces the deliverables associated with the Wave by:

- **Developing Wave vendor comparison tool.** Having completed data gathering and fact-checking, the analyst must finalize the scale explanations, scores, score explanations, and weightings in each vendor scorecard. Forrester then develops the vendor comparison tool that will be published to the Web site along with the Forrester Wave document.

- **Performing Final Scorecard Review.** Each vendor receives its final scorecard (which will appear in the vendor comparison tool), including all scales, scores, weightings, and explanations. The vendor must review this scorecard for any errors of fact. This is the last time that vendors see their scorecards before the Wave goes live on Forrester.com. To ensure that we treat all participants fairly, nothing material in the scorecards will change after Final Scorecard Review.[5]

- **Writing the Forrester Wave document.** Now the analyst sits down to write the Wave document, which will provide both Forrester's overview of the market as a whole and our conclusions about the relative strengths and weaknesses of vendors we evaluated.

Milestone 5: Publish

Once we've developed and reviewed all the deliverables, it's time to share the Wave with the world. Before publishing the deliverables, the team must:

- **Send out the courtesy preview document.** Forrester will distribute courtesy copies of the Forrester Wave document to participating vendors approximately five days before a Wave is to launch on Forrester.com. The content of the Forrester Wave is final at this point.

ENDNOTES

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[1] Sometimes vendors make the decision to not participate in the formal Wave evaluation process. In these instances, Forrester may decide to still include the vendor because an accurate portrayal of the market would not be complete without said vendor. If so, the final Forrester Wave report will include a Forrester Wave graphic that will position the vendor relative to the other vendors based on our knowledge of the product, market presence, and vendor strategy, but will indicate the vendor as non-participating; will state that the vendor chose not to

participate in the formal evaluation process, and that our assessment is based on different inputs than those used for other vendors; and will not include the detailed data and analysis published for the vendors that participate in the formal evaluation.

[2] Forrester evaluates only products that will be generally available at the time of publication.

[3] Vendors have three weeks to respond to the questionnaire. Extensions are not granted except in extraordinary circumstances.

[4] The scores of higher-level criteria are weighted averages of these component criteria. Analysts create the text and scores contained in the roll-up criteria later on in the process.

[5] The only changes to the scorecards after this point will be to grammar, style, and/or formatting.