

EMA Vendor to Watch: Celonis

EMA Market Analysis

The market Celonis is addressing is commonly known as “process mining.” Process mining connects enterprise technology with enterprise analytics, providing insight into both business and technical processes represented in the software products that drive business and technical operations. The market is currently fragmented with vendors coming from backgrounds in business process management, corporate process management, ERP, and independents.

EMA believes that the process mining market is much more accurately described as the “process optimization” market. The winners in this market will be the vendors who tie process mining to both action and automation. Initially, closed-loop analytics may be done organically or through partnerships. Ultimately, there will be consolidation tying action to insight.

Early traction is already being seen in the following solution areas: customer acquisition, customer satisfaction, procurement, distribution, logistics, supply chain, manufacturing, accounts payable, IT service management, master data management, and the Internet of Things.

Corporate Information

Celonis was founded in 2011 with headquarters in Munich, Germany. With impetus from both SAP and the German Silicon Valley Accelerator, they quickly expanded with U.S. headquarters in New York. Celonis currently has almost 400 employees. Major funding includes \$27.5 million in 2016 and \$50 million in 2018. In 2018, Celonis also made a move to accelerate growth, hiring Anthony Deighton, former Qlik CTO and SVP of Products, as Chief Marketing Officer.

The Celonis mission is simple: Celonis process mining helps companies around the world to rapidly understand the operational process backbone of their business, guiding change for increased productivity and improved customer experiences.

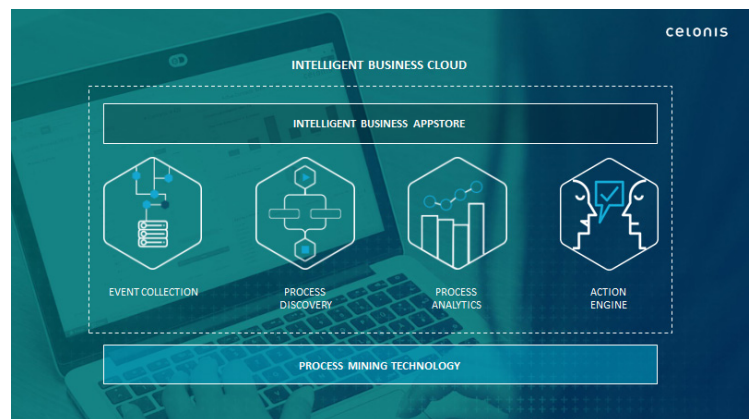
Product Information

Celonis Intelligent Business Cloud

Celonis Intelligent Business Cloud is a cloud-based process mining solution. The offering starts with “event collection,” which is the capture and time stamping of data from operational software systems and technology, such as the Internet of Things or digital machinery. Celonis provides a number of connectors to capture and transform the digital footprints of several different applications.

Once data are collected, transformed, and stored, “process discovery” uses process mining algorithms to identify the most common business processes, along with every process variation within the organization. Even processes that have hundreds of thousands of variants are catalogued in the discovery phase. All processes and variants are simplified and visualized for the end user.

Celonis then moves to “process analytics,” using in-memory compute power to do process-oriented analysis with particular strength in complex time series analysis. To accelerate analysis, Celonis invented a process query language that codifies process queries for complex processes.



Finally, the Celonis “action engine” delivers insight to business users and to the owners of the various business processes. Signals are sent to workers on the frontlines so they are aware of possible process improvements or alerted to immediate actions that need to be taken. In addition, business process owners are sent recommendations of actual work they can perform to improve the underlying process. The most advanced customers are already actively improving business processes from within Celonis.

Celonis also offers an increasing number of prepackaged solutions for several leading enterprise applications including Salesforce, Oracle, ServiceNow, and SAP. Each offering in the Celonis App Store includes analysis, KPIs, and predefined tasks for the action engine. For example, organizations running SAP applications can quickly apply mining functions for order-to-cash, purchase-to-pay, or customer satisfaction.

One Celonis customer was already spending millions of dollars trying to optimize their core business processes like order-to-cash. This massive investment enabled them to reduce this business process from weeks to days. Using Celonis, they discovered that credit checks were the biggest encumbrance to the process. Process mining took the Celonis customer to a different department for the real answer to business process improvement. They were able to reduce the order-to-cash process down to hours.

EMA Perspective

EMA sees Celonis as a leader in the process optimization market, based on their innovation in driving insight to action, their solid investor backing, a growing customer base, and strong partnerships. First, by tying analytics to business processes and giving recommendations of what needs to be changed in the business, they are achieving true closed-loop analytics. Second, Celonis recently closed a \$50 million round of funding, with a valuation of \$1 billion from solid investors including Accel and 83North. Third, their growing customer base and hiring of a proven marketing leader demonstrates the ability to execute on both the sales and marketing fronts. Fourth, they continue to build strong partnerships, as evidenced in their recent announcement with ServiceNow. In addition, their partnerships with UiPath, Blue Prism and Automation Anywhere allow them to connect process insight with automation.

About Vendor to Watch: EMA Vendors to Watch are companies that deliver unique customer value by solving problems that had previously gone unaddressed or provide value in innovative ways. The designation rewards vendors that dare to go off the beaten path and have defined their own market niches.

About EMA: Founded in 1996, Enterprise Management Associates (EMA) is a leading industry analyst firm that provides deep insight across the full spectrum of IT and data management technologies. EMA analysts leverage a unique combination of practical experience, insight into industry best practices, and in-depth knowledge of current and planned vendor solutions to help EMA's clients achieve their goals. Learn more about EMA research, analysis, and consulting services for enterprise IT professionals and IT vendors at www.enterprisemanagement.com or blog.enterprisemanagement.com. You can also follow EMA on [Twitter](#), [Facebook](#), or [LinkedIn](#).