

On the Radar: Smartsheet enables workplace collaboration at scale

The cloud-based platform facilitates collaborative planning, sharing, documentation, and reporting

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Summary

Catalyst

Smartsheet, a provider of a cloud-based platform for work execution, represents a new generation of work management and collaboration tools. Its ability to appeal to a wide range of business users and conduct a broad set of activities for various use cases while eliminating traditional siloed spreadsheets sets the company on a course for continued growth. With half of the Fortune 500 companies using the platform, Smartsheet bears watching as a strong leader in the collaborative work execution category.

Key messages

- Smartsheet enables seamless employee collaboration through repeatable solutions.
- The Smartsheet work execution platform provides a connective tissue that will stop silos of engagement and end fragmented journey management.
- Smartsheet integrates with numerous cloud productivity suites and applications.
- The company's core value proposition is offering a no-code platform that addresses the business end user.
- The company's acquisition of Converse.AI allows users to build intelligent chatbots for automation.
- Smartsheet shares began trading on the New York Stock Exchange in April.
- The company has 74,000 domain-based customers and 3.6 million business users.

Ovum view

The collaborative work execution category is evolving from a space that enabled traditional task management capabilities to one that encourages connected and transparent experiences that offer rich work management capabilities, enabling businesses to transform through increased collaboration, transparency, and accelerated efficiency gains.

Smartsheet is a key player in this category, among other cloud-based leaders like Asana and Workfront. The company's April IPO filing, 13 years of competing in the space, well-integrated unifying collaboration platform, broad partnerships with API developers, and enterprise-class customer base positions Smartsheet as a strong player in the category and makes it ripe for long-term growth. As more organizations realize the importance of having a seamless workspace, transparent processes, and real-time reporting across an enterprise, the category should continue to experience steady growth.

Recommendations for enterprises

Why put Smartsheet on your radar?

Smartsheet enables seamless employee collaboration through repeatable solutions that enable flexibility at scale. Its broad integrations and wide array of business use cases that cater to multiple

business roles allow organizations to plan, capture, manage, document, automate, and report on work across the enterprise. The Smartsheet work execution platform replaces legacy tools and technologies and rids organizations of data and organizational silos that prevent employee collaboration. Its dashboards provide real-time visibility into business-critical KPIs for real-time decisioning. Smartsheet boasts thousands of use cases that report higher productivity, enhanced visibility, greater transparency into how employees work, and better decision-making. Its simple interface focuses on "sheets" that look similar to Excel's spreadsheets – a feature that appeals to nontechnical users. Additionally, its flexible four-tiered pricing system, which includes unlimited free collaborators (companies pay only for creators), offers a range of options to fit specific needs and enterprise size.

Highlights

The way companies communicate with customers is evolving and so should the way they work. Enterprises are tasked with capturing, integrating, analyzing, and acting on the data assets available to them to optimize omnichannel customer journeys. This requires companies to think of customers holistically, not separated by channel usage. If enterprises are plagued with disparate systems and siloed data internally, proactively interacting with customers becomes challenging.

Enabling stakeholders across business units depends on the availability of real-time insights and actionable communications. It also depends on providing a connective tissue to link disparate functions and enterprise systems internally and integrate with digital and physical channels.

The Smartsheet work execution platform provides a solution to the way enterprises need to work today by creating a persistent, shared conversational workspace where users can communicate and share content in one place. It brings content from other apps into one centralized workstream and creates a portal where users receive persistent messaging, alerts, notifications, activity streams, and content-sharing functionalities.

The Smartsheet work execution platform provides that seamless integration with many top cloud productivity suites and applications, including Google G-Suite, Microsoft Office 365, Box, DocuSign, Facebook, Salesforce, Vonage, HubSpot, and PayPal. The platform is designed for collaboration and coordination of business processes, without switching from one app to the next.

The company's core value proposition is offering a no-code platform that addresses the basic business user. From conducting customer onboarding and executing marketing campaigns to serving as centralized HR resource centers and tools for managing implementation projects, the technology scales to fit most roles and responsibilities in an organization.

Key capabilities include

- a worksheet platform that allows teams and individuals to track and report on their work
- multiple views to track work and visualize tasks: dashboard, card, calendar, and Gantt
- the ability to attach files from Google Drive, OneDrive, Dropbox, and more
- the ability to streamline work by setting up automatic update requests
- control access with intuitive and secure permission controls
- a team resource portal with configurable widgets

- Smartsheet Forms, which provide business users with the ability to collect error-free, consistent, and organized data from anyone via desktop, laptop, tablet, or mobile phone
- standard components such as campaign planners and dashboards, which enable campaign consistency
- single sign-on capabilities necessary to manage work teams of 100 or 100,000
- granular sharing permissions for both administrators and end users to control and protect their information and the ability for admins to approve external domains, restrict integrations, and manage to internal standards
- account-specific reports detailing how users access, share, and publish information with Smartsheet
- rigorous data and infrastructure procedures
- robust REST-based APIs
- customized applications and deep integrations with line-of-business systems such as SAP, Oracle, and human resource information systems
- cross-application workflows that use webhooks to connect with enterprise automation platforms
- Smartsheet Control Center, which allows Business and Enterprise plan customers to set up large-scale projects automatically to react quickly to changing conditions with global updates.

Smartsheet has been actively investing in the capabilities and technologies to enhance its automation functionalities. In late 2017, the company rolled out a suite of products focused on automating repetitive tasks, such as approvals and purchase orders. It also introduced a number of automation-enabled enhancements, including the ability to populate data entry via forms. For example, the system automatically captures inputs and then triggers the various actions in the sheet.

Its January 2018 acquisition of Converse.AI, a provider of intelligent chatbots for automation, offers further proof that Smartsheet is laying the foundation for building sophisticated automation capabilities. The acquisition will accelerate conversational business process automation within Smartsheet. "Here at Smartsheet, we're committed to our founding philosophy of 'practical innovation' – empowering knowledge workers to build and manager powerful business process and automation solutions, regardless of their technical prowess," said Gene Farrell, SVP of product. "Converse.AI shares our vision of enabling enterprises to address business-critical problems through natural language workflows and no-code work process automation."

This approach of focusing on building out the toolkits for advanced automation will help stop silos of engagement and end fragmented journey management. Therefore, it will eliminate the frustration of users having to switch between disparate and siloed communication methods depending on whom they need to contact and what kind of conversations they are having. Because Smartsheet connects all teams and activities along a company's value chain, enterprises can view and visualize the customer journey from a single screen. Having such transparency and integration reduces the likelihood of missed communications and provides users with the information they need where they are, rather than them having to search for it themselves.

In the coming months, Smartsheet plans to integrate the Converse.AI conversational workflow into the Smartsheet platform to broaden business process scenarios. Conversational AI could eventually

automate traditional workflow and even data entry through pen and paper. For example, employees could ask a voice assistant like Alexa or Google Home to populate a spreadsheet.

While providing tools to automate the way employees work is a primary focus for Smartsheet, so is effectively onboarding customers. Therefore, the company employs a customer success team that offers training and pro services. Because there's a near-ubiquitous need for custom integrations with legacy tools, the pro services team works with clients to create workflow across a distributed workforce and builds native customizations.

Background

Former Onyx CEO Brent Frei founded Smartsheet in 2005 with the intention of offering an app for teamwork management, tracking, project management, team collaboration, and flexible reporting. The company has raised more than \$120m in funding to date. Its most recent funding round, which totaled \$52m, was led last year by Insight Venture Partners and valued the company at \$852m. Other investors include Madrona Venture Group, Sutter Hill Ventures, Top Tier Capital Partners, and Summit Partners.

Last year, the company held its first-ever major customer and partner event, Smartsheet Engage. This year's conference will be held October 1–4 at Smartsheet's headquarters in Bellevue, Washington.

Current position

Smartsheet Inc. filed an initial public offering in April for 11,633,920 shares of its Class A common stock at a price to the public of \$15 per share. Shares began trading on the New York Stock Exchange under the symbol "SMAR" on April 27, 2018.

Smartsheet has a market capitalization of \$1.93bn. Over the past year, the company has ramped up its mainly near-term debt from \$5.74m to \$6.55m. Smartsheet showed revenue of \$111.2m for the period from January 31, 2017, to January 31, 2018, up 66% from the year prior. For that same period, it showed a net loss of \$49.1m.

CEO Mark Mader believes that cloud software companies such as Salesforce and Workday, which have built businesses that sell recurring subscriptions instead of collecting one-time payments, have paved the way for technology companies like Smartsheet to thrive by offering a similar payment model. The company's four-tiered model seeks payment only for its clients' creators. The collaborators receive unlimited free access. This model offers repeatable solutions that allow Smartsheet's customers to have flexibility at scale. This approach is likely leading to Smartsheet's rapid growth and tremendous momentum, especially in strategic accounts. The company also has boots on the ground in Europe to build out that market.

Smartsheet sells across all industries. Notable customers include Starbucks, Sephora, Netflix, Cisco, Hilton, and Colliers International. The company boasts 74,000 paying brands and 3 million users, and its use cases are broad. Starbucks, for instance, is leveraging the Smartsheet Work Management platform to conduct a range of activities, from scouting out real estate for new locations to onboarding employees for the opening of 200 stores in China. Additional examples include Sephora using the technology to manage store displays and Cisco's 90,000 users relying on Smartsheet for internal communications. Smartsheet reports an increase in government use cases since it became HIPAA compliant in September 2017.

Smartsheet's technology category is a murky one. From work execution to task management, current entrants are labeling the category with a broad range of monikers as vendors across the spectrum compete for market share. Because of the apparent movement to deploy tools that enable transparency and seamless collaboration across the enterprise, Ovum suggests Smartsheet avoid waffling by putting a stake in the ground and firmly calling its category "collaborative work execution."

Data sheet

Key facts

Product name	Smartsheet	Product classification	Collaborative work execution
Version number	n/a	Release date	2005
Industries covered	Retail, construction, manufacturing, technology, professional services, education	Geographies covered	Global
Relevant company sizes	Enterprise	Licensing options	Smartsheet offers four monthly pricing plans: Individual, \$14; Team, \$15; Business, \$25; and Enterprise, custom.
URL	www.smartsheet.com	Routes to market	Direct
Company headquarters	Bellevue, Washington, US; offices in Boston and Edinburgh, Scotland	Number of employees	800+

Source: Ovum

Appendix

On the Radar

On the Radar is a series of research notes about vendors bringing innovative ideas, products, or business models to their markets. Although On the Radar vendors may not be ready for prime time, they bear watching for their potential impact on markets and could be suitable for certain enterprise and public sector IT organizations.

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