NUCLEUS
RESEARCH

HOT COMPANIES TO WATCH IN 2023

ANALYSTS

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THE BOTTOM LINE

Nucleus selected 12 companies to watch in 2023 that have exhibited strong market performance and product innovation in their respective spaces. The list includes well-established leaders in specific areas, as well as newer market entrants solving niche organizational challenges, evaluated on their ability to maintain competitive positioning and carry out strategic plans. All vendors featured as this year's Hot Companies are positioned for sustained success in the coming year as they continue to drive value for their customers and amass net-new business amid economic uncertainty.

OVERVIEW

Nucleus selected 12 companies that are poised to maintain or propel market performance into 2023 and beyond. The list includes familiar, longstanding leaders and new contenders, all of which are assessed on their ability to execute strategies that continue to drive value for customers, resulting in positive business results.

ALTERYX

In 2023, analytics and data science are becoming increasingly integrated into traditional business practices to enable faster and more accurate decision-making and ensure market viability. Although the value of analytics and data science is well understood, organizations often must contend with significant costs and technical limitations when attempting to scale their data collection and utilization. These challenges have led organizations to prioritize intuitive and accessible solutions which allow them to scale their analytics and data science workloads without expanding technical headcount.

Alteryx is one of the more proven vendors in the analytics and data science market, with an abundance of on-premises customers and an established developer community. Given its position in the market, Alteryx has centralized its strategy around empowering its on-premises customers and has brought four cloud products to market since 2021. Alteryx views these cloud products as a complement to its existing on-premises solution and has focused on smart interoperability and hybrid capabilities to continue catering to its existing customers. This improves the accessibility of analytics and data science for new customers and enables on-premises customers to scale their data operations in the cloud without abandoning their on-premises investments. Looking ahead throughout 2023, Nucleus expects continued growth for Alteryx as on-premises and net new customers alike prioritize these cloud products to expand their analytics footprint without dramatically scaling costs.

> **Alteryx has focused on smart interoperability and hybrid capabilities**

BOOMI

Boomi is an Integration Platform-as-a-Service (iPaaS) solution providing a cloud-based platform to support flexibility, scalability, and availability within organizations deploying application and data management tools in diverse environments. Boomi is structured to not only provide tools for developers to maintain deep integrations but also enable non-technical integrators with tools that do the advanced work automatically. With the contracting market emphasizing the importance of cost efficiency in 2023, iPaaS solutions that focus on deploying extensive functionalities while maintaining simplified processes for non-technical users will excel. Specifically, for medium-sized businesses, the move to a cloud-based infrastructure will incur new costs, and few organizations will be able to add the cost of multiple developers. iPaaS solutions like Boomi can save companies hundreds of thousands of dollars in avoided hires without hindering the capabilities of the user or the platform. With diverse support for integrations across any application, system, or business, Boomi is one of the most comprehensive integration platforms on the market and is poised to capture market share among mid-market and enterprise customers over the next 18 months to support growing data utilization and democratization.

CLICKUP

ClickUp is a SaaS-delivered Work Management solution that services a wide range of industries and use cases. The solution's main goal is to save organizations time by leveraging its automation capabilities to facilitate project completion and eliminate redundant workflows. While the solution is focused on project management, ClickUp can be used across an entire organization, such as in sales as a CRM, in HR as a training hub for new employees, in engineering as an agile solution for project management, and as a roadmap for production and design managers. ClickUp's main value proposition is its guarantee that an organization can save one day every week, and in interviews with ClickUp customers, Nucleus has seen organizations achieve significant time savings across various functions and industries. ClickUp is competing heavily with other work management solutions, but it is one of the few that offers a full platform at no cost to users. Nucleus has seen that most users of ClickUp typically adopt the solution after trialing the no-cost version, which speaks to the value that users can expect to achieve from full use of the platform.

ClickUp is constantly developing new integrations and capabilities to improve processes within the platform. Recently, the vendor acquired Slapdash, a unified search solution, and

announced a new partnership with Hubspot, a CRM platform. ClickUp's acquisition of Slapdash integrates the solution's unified search capabilities to better facilitate document retrieval and search processes. The technology will also bring other cloud applications into ClickUp, letting users search them and perform actions like sharing, editing, and even joining zoom calls, all within a centralized location. The acquisition is expected to bring additional productivity benefits to organizations with complex technology stacks or those that rely heavily on digitally stored documents. The new partnership with Hubspot will bring a bidirectional integration that allows users to configure and trigger workflows on either platform, automatically sync data, and transfer tasks and projects to relevant stakeholders. Nucleus believes the integration will facilitate cross-departmental collaboration and introduce a new layer of automation to both platforms.

CONGA

Conga provides scalable revenue lifecycle management solutions for organizations across all industries. Conga enables users to accelerate sales by configuring complex products and services with an intuitive, no-code rules engine, with a single data platform model spanning applications including CPQ, CLM, digital commerce, e-signature, and document generation. A unified data model enables users to define complex product and pricing rules across its CPQ, partner quoting, and self-service e-commerce while avoiding the added stress of managing API connectivity across multiple channels. Conga CPQ supports quotes with up to 10,000 lines, with functionality that allows users to support bundled sales, recurring product sales, and usage-based sales.

> **Conga's new API connectivity will expand its TAM by enabling cloud-agnostic functionality**

Conga recently announced new API connectivity that is expected to drastically expand the vendor's addressable market by enabling cloud-agnostic functionality. Customers are showing increased demand for highly customized products, and with e-commerce cementing itself as the primary mode of shopping for the foreseeable future, Conga's ability to extend its CPQ, Composer, and Sign functionality to organizations operating on virtually any CRM or ERP platform gives the vendor a notable competitive advantage moving into 2023.
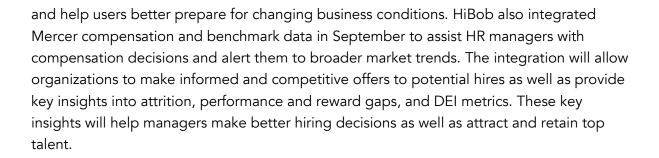
DATABRICKS

Databricks is a data and artificial intelligence (AI) company combining the data management and performance capabilities of data warehouses with the flexible, low-cost object stores of data lakes with its flagship offering: The Databricks Lakehouse Platform. By utilizing this lakehouse approach, customers can consolidate data for various use cases, including data engineering, analytics, business intelligence (BI), data science, and machine learning, eliminating the many data silos present under a more traditional approach. Databricks differentiates its lakehouse platform with Delta Lake: its open-format storage layer, bringing reliability, security, and performance to customer data lakes for both streaming and batched processing. Customers can also leverage Delta Lake to perform open protocol secure data sharing with Delta Sharing, extending collaboration across their partner network with secure and sharable data assets. As organizations continue to look to data lakehouse architects to facilitate low-cost data storage and processing and support machine learning models extending to hundreds of parameters, Nucleus expects Databricks Lakehouse adoption to continue at a rapid clip, especially for organizations prioritizing differentiated performance and a fast pace of innovation.

HIBOB

HiBob seeks to add efficiency to all areas of HR with Bob, the company's cloud-based HCM solution. Bob saves organization time by automating HR workflows, digitizing recruitment and reporting processes, and acting as a centralized hub for documents and organizational data. The solution can be used in a wide range of verticals and is well-suited to the needs of organizations with large remote workforces and high-volume hiring needs. Nucleus found that deployments of HiBob can reduce strain on HR teams, improve HR productivity, and reduce software costs through the ability to retire redundant legacy solutions. HiBob's main benefit is its combination of traditional task management with HR operations that assist staff in various HR functions and management of daily operations. HR teams leveraging the platform can automate HR workflows, recruitment, and reporting processes to significantly reduce bureaucracy within an organization and improve operational efficiency.

Recently, HiBob announced the release of a new Workforce Planning module that introduces strategic future people planning for those organizations that require a deeper level of visibility into recruitment processes. With the Workforce Planning module, HiBob customers can easily determine hiring needs to reduce instances of over and understaffing

and help users better prepare for changing business conditions. HiBob also integrated Mercer compensation and benchmark data in September to assist HR managers with compensation decisions and alert them to broader market trends. The integration will allow organizations to make informed and competitive offers to potential hires as well as provide key insights into attrition, performance and reward gaps, and DEI metrics. These key insights will help managers make better hiring decisions as well as attract and retain top talent.

NAYYA

Nayya is a benefits experience platform that provides users with personalized decision support during the open enrollment period, qualifying event changes, or new hire onboarding. The solution cross-references data from more than 200 million claims, 6,000 networks, and three billion external consumer data points and uses AI to suggest personalized benefit recommendations based on factors such as lifestyle, finances, and health history that are collected through a step-by-step experience. Users are then given guidance into what plans work best for their needs, with recommendations as well as the option to explore their options through scenario cost comparison.

> **Nayya raised $55 million in series C funding in March 2022**

Benefits administration has become table stakes in HCM deployments, and attractive benefits offerings are one of the primary factors in a candidate's decision to choose an employment destination. However, while prospective and existing employees know that they want comprehensive benefits packages, there is a general lack of education and guidance, leading many employees to either sign onto benefits plans that over or underserve their needs. While there are many guided benefits enrollment solutions in the market, Nayya differentiates through its hyper-personalized approach, ease of implementation and adoption, and ability to integrate with existing systems. In March, the vendor raised $55 million in Series C funding with a total of $106 million raised since its founding, highlighting continued high demand for personalized, informed benefits experiences.

PLUM

Launched in 2012, Plum is a talent assessment platform that has evolved to apply predictive psychometric data to decision-making in hiring, development, succession, and workforce planning. End-users are provided with a single psychometric assessment, which goes beyond traditional screening measures, instead examining behavioral metrics to predict success in a specific job position. The results of the assessment are then delivered through a Plum profile, which highlights the top three Plum Talents, which are recurring behavioral and thought patterns used to predict future job success. As recruiting and retaining high-quality employees remains a challenge, Plum offers a unique way to screen employees that offers data-driven insights and predictions that cannot be surfaced with traditional resumes.

Plum's mission is to create a "talent revolution", and the vendor has gained significant traction over the past year as organizations seek greater innovation in talent assessment. Among other accolades in 2022, Plum was an ROI Awards winner for Scotiabank's pilot implementation of the platform, used to eliminate the use of resumes in its campus hiring efforts. As resumes and other antiquated means of talent decision-making fall short of expectations amid hiring challenges, Plum's psychometric approach will continue to change the way that employers view screening and assessment throughout the employee lifecycle, poising the vendor for continued growth into 2023.

ROOTSTOCK

Rootstock is a Manufacturing Cloud ERP on the Salesforce Platform that serves mid-sized companies in the aerospace & defense, high-tech & electronics, industrial equipment, medical device, and project manufacturing sectors. The cloud ERP provider combines sales, engineering, supply chain, production, inventory, logistics, financials, analytics, collaboration, and customer service capabilities.

Nucleus is seeing SMB manufacturers migrate to cloud-based ERP solutions like Rootstock at a rapid rate. Cloud deployments achieve over four times the ROI compared to on-premise legacy solutions on average. (Nucleus Research U176 – Cloud delivers 4.01 times the ROI as on-premises, November 2020). In a crowded cloud-based SMB ERP market, Rootstock delivers a differentiated value proposition. Rootstock is built on the Salesforce Platform, giving organizations a unified data model and user experience for CRM, ERP, and other business data. Salesforce's market share alone makes Rootstock a competitive choice for many SMBs. Additionally, Nucleus found that native connectivity between Rootstock and Salesforce delivers accelerated time-to-value, reduced TCO, and improved operational

efficiency. (Nucleus Research W130 - The value of Rootstock and Salesforce connectivity). Moving ahead, Nucleus expects recent product enhancements including an updated no-code Lightning experience, Slack integration, and NLP in Einstein Search to further drive adoption of the ERP solution.

SHIPIUM

Shipium is a cloud-based e-commerce shipping platform that helps businesses provide a customer-facing delivery promise they can keep, then keep the promise that they made by controlling downstream shipping selection. The platform also provides real-time parcel tracking, order routing, and rate shopping functionality. Headquartered in the United States, the vendor primarily serves the Logistics, Manufacturing, Healthcare, Automobile, Retail, and Consumer Goods industries. Shipium tends to replace legacy parcel shipping solutions to manage carrier selection, then integrates into an organization's website, TMS, WMS, ERP, and OMS solutions to connect and coordinate upstream decisions that impact downstream shipping outcomes. Built by Ex-Amazon supply chain executives, Shipium leverages its proprietary data modeling to help each customer balance their unique tradeoffs between shipping costs, delivery speed and accuracy.

> **SMB manufacturers have migrated to cloud-based ERP solutions at a rapid pace**

Customers turn to Shipium when new business objectives emerge that require operators to move faster than they are able to do so with incumbent technology. After the switch, they often find that it becomes cheaper to ship faster using Shipium, while also improving on-time-delivery. In April 2022, Shipium raised an additional $27.5M to expand platform capabilities and enhance the coordination between different parts of the supply chain. Nucleus expects Shipium to extend beyond shipping to help with inventory allocation in the next year, allowing deeper penetration with companies looking to achieve a Prime-like shipping experience.

SUGARCRM

SugarCRM provides a complete customer experience management platform that spans sales, marketing, and customer service. Traditionally tailored for small and mid-market

organizations, Sugar has demonstrated several strategic initiatives designed to support its upmarket expansion and customer growth initiatives into 2023. Sugar's momentum is driven by its continued development of its third-party marketplace, SugarOutfitters, and its newly redesigned user interface.

Building on the 2022 launch of SugarOutfitters, the vendor recently announced three new strategic partnerships that will extend the functionality of the Sugar platform in the account-based marketing, field service, and CPQ areas. The CRM market is signaling a push toward solutions that deliver industry-specific functionality, as it enables organizations to avoid costs tied to building and maintaining custom applications. Sugar's continued expansion of its ISV network is expected to equip customers with the tools to increase operational flexibility while providing specialized domain expertise for industry-specific applications.

Nucleus has seen an industry shift towards the prioritization of usability in a CRM platform, and Sugar's newly redesigned UI is expected to further the vendor's comparative advantage in the overall ease of use of its software offerings. SugarCRM customers routinely cite the platform's overall ease of use as a major factor in its selection, and Sugar has built on this with the launch of a newly redesigned user interface. Modifications to the UI were constructed using industry best practices, and are designed to streamline user navigation across each of the Sugar platforms. Notable additions and enhancements include dynamic focus drawers, dynamic dashboard configuration, and a responsive design for optimized views on all devices.

WOLTERS KLUWER

The Wolters Kluwer CCH Tagetik platform is primarily used by CFOs and their peers for Financial Planning and Analysis (FP&A), Business Planning, Supply Chain Planning (SCP), Financial Consolidation and Close (FCC), and ESG & Regulatory Compliance purposes. Wolters Kluwer enables Integrated Business Planning (IBP) initiatives, which proves necessary in today's fast-moving, disruptive market landscape. Organizations of all sizes must ensure alignment with finance and all sides of the business, including sales, marketing, workforce, production, and supply chain. Without a solution to consolidate all financial and operational data and provide a setting for cross-departmental collaboration, companies place their financial resiliency at risk as they lack the visibility and agility to predict and mitigate disruptions.

SCP solutions have exploded in popularity as the pandemic and recent geopolitical disruptions introduced uncertainty to every aspect of global supply chains. Wolters Kluwer's

acquisition of SCP specialist Vanguard in 2021 grants it footing within the supply chain management market and provides opportunities to extend CCH Tagetik to supply chain planners. Organizations must source SCP solutions as they move away from reactionary Excel and phone-based processes and toward adaptive resilient planning. By integrating strategic, financial, business, and supply chain planning, Nucleus expects existing customers and prospects to benefit from data and workflow automation for IBP tasks. The combination of CCH Tagetik's IBP and SCP technology enables forecasting and what-if scenario analysis with greater visibility to the financial impact, driving continuous operational improvements.