



Market Insight Report Reprint

Mattermost unveils new project and workflow management capabilities

October 14 2021

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The latest capabilities in its open source collaboration platform further affirm the vendor's developer-centric approach and focus on helping organizations improve productivity. The enhancements include integrating modern project and workflow management tools into its developer collaboration platform.

451 Research

S&P Global

Market Intelligence

Introduction

Mattermost initially emerged as an open source, private cloud alternative to vendor-hosted collaboration offerings, looking to address the requirements of security- and privacy-minded organizations. The company recently announced several enhancements that include integrating modern project and workflow management tools into its developer collaboration platform. These updates further affirm its developer-centric approach and focus on helping organizations improve productivity and accelerate digital operations.

THE TAKE

Mattermost has built a strong track record working with organizations in verticals with strict privacy and security requirements as well as companies that are known for their innovation and technology. The newly announced capabilities in its platform mark an important milestone for the company: They reaffirm its focus on enabling secure collaboration across the entire software development lifecycle, and further align its developer-centric approach with key industry trends. We think this positions Mattermost to help organizations address market requirements for productivity enhancements and accelerating digital operations in the post-COVID-19 workplace.

Company background

We have followed the evolution of Mattermost over the past five years. The vendor initially emerged based on the founders' experience with a prior venture, an online videogame developer. The team relied on a centrally hosted chat tool that was eventually acquired, resulting in several problems in terms of reliability and access to archived data. This prompted them to build their own team collaboration tool, based on the messaging software they had previously developed for their gaming applications. The founders open-sourced their work in June 2015, leading to rapid adoption and requests for advanced enterprise features.

The company then shifted its focus to building a business around Mattermost, shipping its first commercial version in March 2016. Mattermost notes that it has enabled over 800,000 developer workspaces worldwide and that it has a community of more than 4,000 open source contributors who have updated the platform 30,000-plus times since its initial release.

The Palo Alto-based firm was founded in 2016 by CTO Corey Hulen and CEO Ian Tien, and currently has over 150 staff on payroll. According to S&P Capital IQ, it has raised \$73.5m in three disclosed rounds from four investors, including Redpoint, Battery, Y Combinator and S28 Capital.

Customers

Mattermost focuses on Global 2000, enterprise and privacy-conscious midmarket and SMBs seeking process improvement or the replacement of legacy systems deploying collaboration tools integrated with custom security, compliance and audit infrastructure, as well a vast ecosystem of third-party developer tools. Its customers typically deploy Mattermost in private AWS, Azure or cloud environments as well on-premises. It also launched its own SaaS version of the product in November 2020.

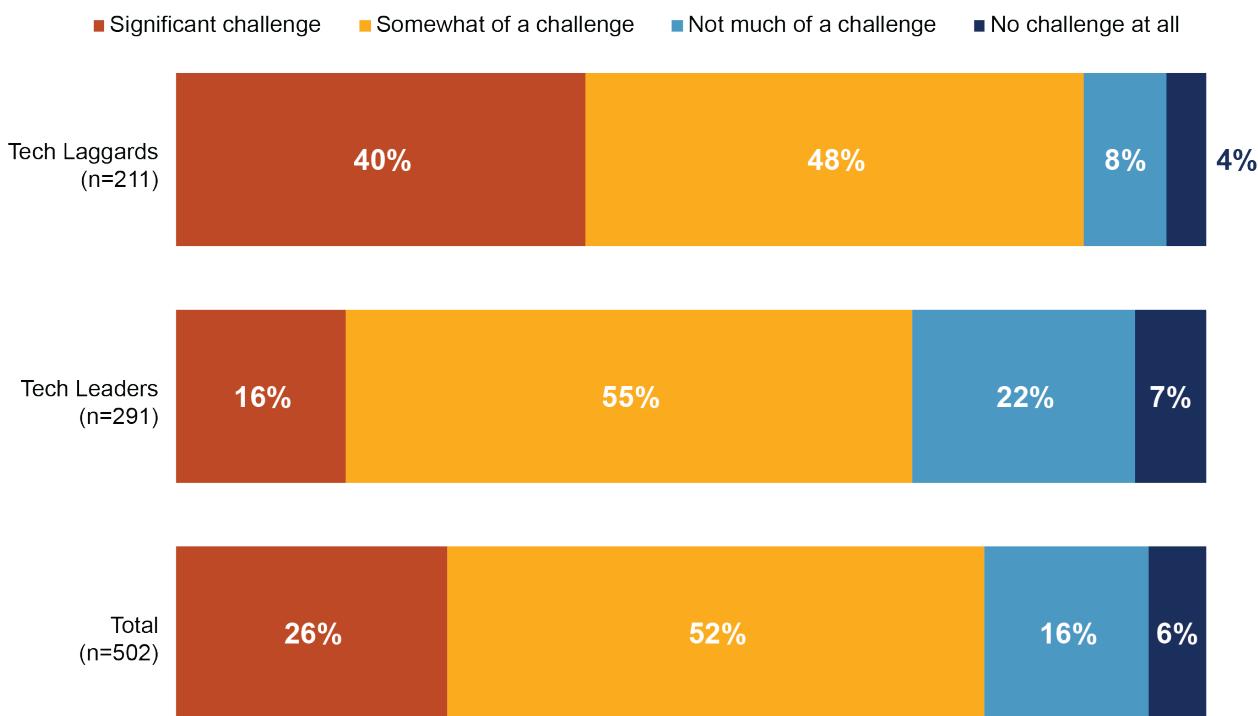
The vendor has gained significant market traction with its commercial offerings in its first five years. Mattermost's customer base currently includes over 800 organizations globally, including well-known brands and government agencies such as Check Point, DuckDuckGo, European Parliament, Nasdaq, Samsung, SAP, the US Air Force, and Wealthfront.

Context

The pandemic accelerated several emerging trends that are influencing the evolution of business communications and collaboration technologies. 451 Research's Voice of the Enterprise (VotE): Workforce Productivity & Collaboration (WPC), Work Execution Goals & Challenges 2021 survey shows that a majority of respondents believe that supporting a distributed workforce over the next two years would be either significantly (26%) or somewhat (52%) challenging. Respondents working for tech laggards (businesses that are typically late in adopting new technologies) are more likely to think that supporting a distributed workforce would be challenging compared with those working for tech leaders (businesses that are typically on the leading edge of technology adoption), as shown in the figure below.

Survey data also indicates that those respondents who believe that supporting a distributed workforce would be a challenge over the next two years consider work-life balance difficulties, having the technologies to effectively support remote work, morale across teams, and keeping employees focused and aligned among the top challenges.

Supporting a Distributed Workforce Will Prove Challenging for Most Organizations



Q. Which of the following, if any, do you expect to be the most significant challenges when it comes to supporting remote/distributed workers over the next two years? Please select all that apply.

Base: Respondents who feel that support of remote workers will be a challenge over the next two years (n=394)

Source: 451 Research's Voice of the Enterprise: Workforce Productivity & Collaboration, Technology Ecosystems 2020

Products

Mattermost was built as an open source, self-hosted (on-premises or private cloud) collaboration tool with features that include enterprise messaging, content organization, and extensibility with support for integrations, bots and plug-ins for third-party voice/video/screen-sharing offerings. The company has continued to evolve its developer-centric approach, bringing together team communications, process playbooks and project/task management into a unified platform for agile software development.

It recently unveiled new project and workflow management capabilities, looking to help organizations address evolving market requirements such as the transition to a hybrid work model and the need to enable remote collaboration and enable autonomy, flexibility and security for a distributed workforce. These complement existing platform capabilities such as Channels, the foundation of the Mattermost platform; Playbooks, which provides checklist-based, prescribed workflows; and Boards, which offers Kanban style task and project management.

The latest capabilities also reflect an evolution in the vendor's approach. Mattermost is expanding beyond its initial positioning as a secure collaboration tool and reaffirming its developer-centered approach, with capabilities that aim to enable alignment and operational agility for R&D teams across each stage of the development lifecycle. Its platform is tailored to enable secure collaboration for a wide range of complex R&D use cases, including DevOps, workflow orchestration, incident resolution, custom workflows, continuous integration/continuous delivery (CI/CD), testing and QA, and IT service desk. The platform also features deep integrations with popular development platforms such as Amazon Web Services, Bitbucket, GitHub, GitLab, Jenkins, Jira, Kubernetes, OpsGenie, Nagios, PagerDuty, Prometheus, Statuspage, Splunk and Trello.

Mattermost offers the option to deploy either as a SaaS service or self-hosted (on-premises or private cloud), giving organizations more control over their data and assisting them in addressing strict security and privacy compliance standards – such as HIPAA, FINRA and GDPR – as well as country-specific data sovereignty and other regulatory requirements.

Competition

The landscape has evolved over the past five years, with several competing self-hosted collaboration and productivity tools reaching end of life. These include Microsoft Lync and Skype for Business – these were displaced by Microsoft Teams, which is not available as a self-hosted offering. Meanwhile, Atlassian announced end of life for HipChat Cloud, Data Center and Server a few years ago. Remaining rivals include Zulip, an open source chat and collaborative software firm that was acquired by Dropbox in 2014; Cisco Jabber, which offers on-premises or cloud-based deployment; and Rocket.Chat, developer of open source team chat software based on MongoDB.

In the larger collaboration space, key players include vendor-hosted tools from the likes of Slack, which was acquired by Salesforce in December 2020; Zoom, which bought secure messaging service Keybase in May 2020; and cloud communications provider RingCentral, which purchased encryption software vendor Kindite in May 2020.

SWOT Analysis

STRENGTHS <p>Its customer base demonstrates that Mattermost is well positioned among digital transformation leaders as well as organizations in verticals with strict privacy and security requirements. The new capabilities in its platform further reaffirm its positioning and focus on helping organizations accelerate digital operations.</p>	WEAKNESSES <p>Within the larger collaboration space, the vendor has a relatively low profile, especially compared with much larger players with a dominant ‘mindshare.’</p>
OPPORTUNITIES <p>Key data points in our VotE: WPC, Work Execution Goals & Challenges 2021 survey indicate that Mattermost’s approach aligns with emerging requirements in the post-COVID-19 workplace – such as the need to accelerate digital operations and the growing relevance of privacy and security.</p>	THREATS <p>Privacy and security have become key focus areas as a result of the coronavirus outbreak and the subsequent shift to remote work, which could lead to greater competition for Mattermost.</p>

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