Wrike sees structured work as the key to employee productivity

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The company wants to be the happy medium between complex enterprise IT services and simplistic task management tools that do not scale. It sees plenty of opportunity to divert usage from messaging applications as users grow frustrated by the lack of purpose-driven conversation.

"The shift to more purpose-drive work management tools is driven by the desire to put greater structure around the work that arises from free-form communications, like chats and email. Today's enterprise teams must cut through the chaos of disparate tools to remove bottlenecks in workflows and provide better visibility into the overall health of projects and processes."

Chris Marsh, Research Director, Workforce Productivity and Compliance, 451 Research.

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The nature of work is changing, and although messaging applications have proven to be excellent for driving community engagement, teams are increasingly challenged to enforce structured workflows that cut through the noise and help orient focus. Wrike has been a longtime leader in the collaborative work management space, but competition is heating up, and vendors that have been successful at catering to small teams will start to meet it further upmarket.

THE 451 TAKE

Wrike wants to provide the tool where teams both plan and do their work, which means striking a balance between collaboration and work management. The company offers a relatively mature project management infrastructure, whereas many of its rivals that took a bottoms-up market approach are just now developing portfolio and operational rollups for the enterprise use case. It may have an advantage today on the enterprise side, but will have to double down on user experience as Asana and Smartsheet have proven to be capable of delivering highly scalable services. Key to this will be continued development of a vertical strategy and intelligent workflows. Luckily, the addressable market is still large and such services have piqued the interest of investors – we would not be surprised to see a work management acquisition by a large player like Google or SAP in the coming months.

CONTEXT

Wrike was founded in 2006 as an online task database through which users could assign tasks via email. It was entirely bootstrapped for its first six years, but has since raised $26m in three funding rounds – the most recent of which was in 2015. The San Jose-based company has since made a global push, opening offices in San Diego, Dublin and St. Petersburg, and offering products in 10 different languages. Wrike has over 400 employees today and serves 13,000 customers and one million individual users. The company posted 685% growth in revenue over three years (2012-2015).

PRODUCTS

Wrike distinguishes itself with its ability to provide a range of customizable work management structures depending on the team or organizational need. For small teams, the company offers basic features like task management, file sharing, activity streams and basic integrations with content service providers (e.g., Dropbox, Box, Microsoft and Google). The professional tier adds Gantt functionality, shareable dashboards, subtask management and enhanced integrations. As Wrike moves into the business tier, it enables more customized and securable workflows. Features like report templates and builders; customizable workflows and forms; user and group permissions; budget, time and resource tracking; and workspace branding are all supported. At the enterprise level, the company brings in advanced security features like administration controls, compliance policies and Active Directory integration. Across the tiers, Wrike provides collaborative features like real-time editing and commenting, although we believe the experience could be improved through more pervasive chat features.

The horizontal tiering here is aggressive relative to other types of productivity services, which typically offer freemium, business and enterprise plans. But work management is a unique animal in that feature overload can demotivate usage should users feel too aggressively monitored or the tool lacks personal relevance. There is extended value in having cross-departmental use of such a platform for insight into progress and resources across branches and projects, but if the tool is not useful on an individual and team level, the value proposition breaks down. Wrike has thus begun to verticalize its service, launching a service specific to marketing and creative teams, Wrike for Marketers, in 2016. The service offers integration with Adobe's creative cloud, marketing-specific workflows, and rich-media support for video and image proofing. We expect to see other such department- and team-specific offerings evolve to increase the attractiveness on the small-team level to counterbalance enhancing enterprise features.

Wrike can also leverage a preferred partnership with Microsoft. In the new Teams app, Wrike can be embedded as a tab, and in Outlook, an add-on allows users to create tasks and users can act against actionable messages in email. A partnership with Google's G Suite includes access to Drive files, a gadget for assigning tasks within the inbox, and calendar integration. Additional integrations include Slack, Box, Dropbox, Zendesk, Salesforce and Atlassian's JIRA, among others. The company has also assembled a new machine-learning team focused in the near future on delivering intelligent notifications, and longer term, enhancing automation.

COMPETITION

The collaborative work management space is inhabited by a small number of participants relative to other productivity and collaboration sectors, but will evolve quickly as vendors across the collaboration spectrum become more process-oriented in their approach to team management. Wrike competes with other team- and project management-focused providers like Asana, One2Team, Smartsheet, Planview, Projectplace, Zoho, Clarizen and Basecamp.

Importantly, Google and Microsoft with their monstrous profiles in collaborative productivity are relatively inconspicuous in the collaborative project management segment. Microsoft launched Planner in mid-2016 as part of Office, but it has fallen in the shadow of priority initiatives like Graph and Teams. Google has nothing in the way of project or task management as part of G Suite. This means that vendors like Wrike have an opportunity to strike mutually beneficial partnerships, and will be well set up as potential acquisition targets down the road.

SWOT ANALYSIS

STRENGTHS
Wrike offers a relatively mature project management infrastructure capable of delivering insights across an organization's portfolio, while permitting individual teams to maintain control of their workflows and processes.

WEAKNESSES
The company's product could benefit from enhanced communication features that encourage richer engagement and conversation around workflow.

OPPORTUNITIES
Wrike's plan to verticalize and thus strengthen the attraction of its platform on a team level is smart, and a market opportunity the competition has not yet explored.

THREATS
Competitors like Asana and Smartsheet are investing in moving upmarket with portfolio management services. Thus far, both have adopted a bottoms-up market approach and are very popular with end users.