Asana's view of work management as a company GPS is fresh thinking the category needs

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A group of work management vendors including Asana has carved out a space apart from traditional project and portfolio management (PPM) and other more task-oriented productivity tools. It is brimming with innovation and experiencing strong market growth, but there is now a need for a more expansive vision for the category – particularly for enterprise-wide deployments spanning the individual teams where they have tended to land. In March, Asana announced its goal to become its customers' intelligent, predictive work nervous system. It is an example of the fresh thinking this category needs, but others are also putting a stake in the ground. This promises to make the next year pivotal for the definition of the category.

THE 451 TAKE

Asana is moving upstream beyond its team management roots, aiming to become a company's system of work – from individual tasks to company objectives. It's an ambitious goal loosely aligned with 451 Research's view that we are seeing the emergence of a new breed of work intelligence platform (WIP). It has a long way to go, with plenty of difficult decisions to make; there are companies ahead of it in market adoption and other disruptors behind it. With solid funding, a talented leadership team and good momentum, it is on the right track. Asana's vision is for machine-learning-driven, highly contextualized work, and it is focused on creating a highly visual environment – intelligent, immersive, interactive and conversational interfaces will need to be at the core of any aspirant WIP.

CONTEXT

Asana was founded in 2008 by Facebook cofounder Dustin Moskovitz and one of its engineering managers, Justin Rosenstein. It provides a work management tool that supports collaborative contextualized work for teams. It officially launched in 2012, and has about 350 employees and over 35,000 paying customers. It is headquartered in San Francisco, with offices in New York and Dublin. Lead investors include Andreessen Horowitz, Founders Fund, Benchmark Capital and Generation Investment Management. In January, Generation led the firm's $75m series D, making a total of $168m raised to date. The funding will help overseas growth and development of its enterprise offering. Asana reports annual revenue run-rate growth at higher than 80%. We estimate its current ARR to be about $45m. Sixty percent (60%) of the company's revenue in the 2018 fiscal year came from North America, followed by EMEA at 25%, Latin America at 5% and APAC at 10%.

PRODUCTS

Asana has project, board, calendar and (new) timeline formats; it is used to plan, log, visualize, track and manage work processes and projects. Key features include customizable tracking fields that allow users to follow only what is specific to them, project template creation, customizable privacy settings and administrative controls. With an eye on GDPR, the company invested in a number of capabilities, including encrypting web connections and replicating databases; it is also certified under the EU-US Privacy Shield framework. Timeline is a highly visual and interactive map, giving a bird's-eye view of all the project tasks assigned to different users within a team, including their dependencies. Like a super-charged Gantt chart, it automatically places individual tasks on users' own homepages, surfacing them on the right day.

Asana integrates with over 100 popular applications, including Drobox, G Suite, Salesforce and Mail Chimp, and in May released an improved Slack integration that allows teams to receive updates in Slack, take action on the updates, and have the option to select Slack messages to be added as tasks or comments without leaving the messenger platform. Another recent integration update was the launch of actionable messages in Outlook, which allows users to update tasks directly from Asana email notifications in Outlook.

Recurring use cases among its customers include task, project, meeting and workflow management; employee onboarding; and managing product roadmaps and launches. Its customers include government offices like Providence, Rhode Island, which uses it in its Mayoral office to improve information sharing and task tracking, and

Bobbi Brown Professional Cosmetics, which uses it to execute global marketing campaigns. Its largest customer segments are in technology, media and entertainment, retail and consumer services, and marketing and design services. Customers include Uber, USAA, Airbnb, MLB, Icelandair Group and Facebook.

It is available in English, French, German, Spanish and Portuguese. The company plans to use some of its series D to release new language versions, including Japanese.

STRATEGY

Asana targets teams that need to collaborate around work but are facing challenges with planning, coordination and execution, where they are using traditional spreadsheets or project management tools that either can't scale or are not flexible enough. It says it is working on integrating resource and portfolio management capabilities. Its land-and-expand business model aims to funnel free users (up to 15 people) to Premium and Enterprise levels. Premium pricing starts at $9.99 per user per month, billed annually and discounted for teams smaller than 15. Premium gets you extra productivity and admin features, and Enterprise brings advanced admin controls, specialized support and custom branding.

The company recently released a vision of what it describes as a GPS system for work – users tell Asana where they want to go and, using machine learning, it automates the cumbersome steps to get there, predictively understanding employees' intentions and surfacing work at optimal times, matching skills to tasks, and assigning and managing resources and schedules. One of the goals will be to remove from users low-value tasks such as scheduling, finding and sharing information, and checking in and following up. These have plagued productivity in individual tools, which is multiplied across multiple tools.

Asana views Timeline as an individual project-based planning capability, but in our view, it would make a good future UI for its GPS concept – a visual and conversational interface for individual managerial users to envision all their own work and its dependencies, estimate resourcing, and track execution against their own performance targets – their own unique work map.

Asana's vision statement is bold and evidence of what, for over a year now, has been a palpable sense that a new category needs to be birthed from vendors leading in this space. Private conversations 451 Research has had with a number of Asana's direct competitors reveal that they were rattled by having been beaten to the punch in marketing an expansive vision for the category. Asana is not alone as the total addressable market crystallizes around this kind of work system. Workfront, during its May customer and partner conference, outlined its own vision of an Operational System of Record, a work management equivalent on par with CRM, HCM and ERP business systems. Smartsheet has capitalized on strong growth, its Control Center enterprise capability released in 2017 and its successful IPO this year to be bolder with its product roadmap and marketing.

451 Research believes a new breed of WIP will emerge to overlay other systems of record, databases and repositories, using a combination of an intelligent graph backed by algorithms that contextualize work; a hub where work is intelligently surfaced, planned and managed; and an integration mesh that automatically stitches together workflows across apps. The WIP would be a single source of truth that intelligently orchestrates work and enables highly responsive execution against a company's work streams – what we call the 'liquid enterprise.' Countervailing to the growing fragmentation of productivity apps and all the pain points associated with that, we see WIPs as disruptive to the multibillion-dollar traditional project management, productivity and collaboration markets, as well as to many of the work-execution capabilities in other systems of record.

COMPETITION

Asana's direct competitors include other modern work management vendors, such as Smartsheet, Workfront, Wrike and Microsoft Project. It is also up against PPM vendors like Planview and CA PPM, which are trying to embrace a more collaborative approach. There are a few vendors that straddle both categories, like One2Team, that might feature in larger enterprise deals. Collaboration tools like Slack, Facebook Workplace and Atlassian Stride may encroach on the segment as they strive to become more process-centric, contextualize communication delivery and develop their enterprise product architectures. Vendors like Redbooth, Samepage and Trello may feature in smaller deals.

SWOT ANALYSIS

STRENGTHS

The company's focus on user experience underscored by sleek and intuitive design is a strength. Substantial funding, an experienced executive team and a compelling (if yet early) vision for how the work management category can evolve maintain the company as one to watch.

WEAKNESSES

Asana needs to enhance its enterprise-scale capabilities, which should help grow its ACVs and change the perception of it as a tool for small teams.

OPPORTUNITIES

With already one-third of its business coming from outside North America, there is the basis to expand internationally. To tap enterprise-wide deployments and budgets, it should advance its meta-data intelligence, its ability to perform real-time updates to template and project status at scale, and its workflow-automation capabilities.

THREATS

Larger, equally well-funded competitors are also increasing their visibility with new visions around modern work management. The steady stream of conversations we have been party to this year around private vendor consolidation also points to future volatility and potentially more competitive merged rivals in this space.