NUCLEUS RESEARCH

HOT COMPANIES TO WATCH IN 2024

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THE BOTTOM LINE

Nucleus selected 10 companies to watch in 2024 that have exhibited strong market performance and product innovation in their respective spaces. Evaluated based on their capacity to uphold competitive positioning and execute strategic plans, the list includes both more recent market entrants addressing organizational difficulties as well as well-established leaders in particular fields. Despite the uncertainty surrounding the economy, all of the vendors listed as this year's Hot Companies are well-positioned to see continued success in the upcoming year as they work to provide value for their clients and generate net-new business.

OVERVIEW

Nucleus selected 10 companies that are poised to maintain or propel market performance into 2024 and beyond. Both established leaders and more recent competitors are included on the list; each is evaluated based on how well they can implement strategies that continue to add value for customers and produce valuable business outcomes.

DATAIKU

Data and AI have increasingly moved beyond the scope of highly specialized data engineers and data scientists and have found their way to nearly every end of the modern enterprise. Now, analysts and line-of-business users from across the organization are asked to leverage data and contribute to AI development to differentiate their operations. This shift would be hard to achieve with complex, code-heavy tools traditionally used by data engineers and data scientists for data management and AI development, generating a need for tools targeted toward this expanding user base. With a platform built to drive engagement and collaboration across the data and AI lifecycle for technical and non-technical users alike, Dataiku addresses this challenge. Offering a visual interface supporting end-to-end AI processes, from data preparation and transformation to model development and deployment, Dataiku enables a wide range of stakeholders to understand their data and its associated applications. This approach both accelerates AI project delivery for data teams that use the platform's automated capabilities and native governance to streamline development. It also drives broader engagement from line-of-business users and executives who offer a deeper understanding of business needs and challenges.

dbt

In recent years, there has been a discernible industry trend shifting from traditional Extract, Transform, Load (ETL) processes to the more agile and data warehouse-centric Extract, Load, Transform (ELT) approach, reflecting a paradigm shift where data transformations are increasingly performed directly within the data warehouse, optimizing for scalability, speed, and real-time analytics. This change, though subtle in semantics, has widened the gap between ingest and transformation layers. While in the past organizations often adopted a single data integration solution to address these processes holistically, modern adoption has leaned towards a best-of-breed approach with a solution tailored to extract and load processes and another solution that specifically addresses the transformation layer. dbt has

carved out a defensible niche as this specialized transformation and orchestration solution, evidenced by wide-spanning support across other data integration providers and data platforms such as Snowflake, Databricks, and more.

FAMA.IO

Fama is a candidate screening solution that searches 10,000 online public data sources to identify and flag potential harmful behaviors and fraud. Fama is EEOC, FCRA, and SOC2 compliant and can integrate with an organization's HRIS, ATS, and background check solutions. The vendor's AI-backed expansion of screening to sources such as social media catches what traditional background check methods cannot, leading to accelerated time to hire, improved quality of hire, and reduced turnover risk. The vendor also recently announced the launch of Fama Instant Fit, a screening tool that leverages public data sources to draw insights about candidate characteristics and company fit instantly, without the need for long questionnaires. In the digital age, CVs and resumes have proven ineffective on a standalone basis. Fama's ability to screen online behaviors and pinpoint risk and fit with minimal burden on the candidate and employer builds a promising foundation for enhanced decision-making and better, safer workplaces.

GONG

Gong is leading the way in AI-powered sales enablement with its platform designed to supplement traditional CRM systems. Gong's suite of tools, including Call Spotlight and its advanced evolution, Deal Spotlight, provides comprehensive summaries and actionable next steps based on entire deal histories. This approach offers a more complete view of the sales cycle, enhancing decision-making and revenue maximization. Throughout 2023, Gong introduced several new AI capabilities spanning predictive, productive, and prescriptive functions, including the Deal Likelihood Score that predicts deal closures with greater accuracy. The vendor also recently announced generative AI models that create efficient workflows and insightful interactions.

Reflecting a broader industry trend towards specialized tools, Gong's platform equips sales reps with specific AI tools that supplement CRM functionality. Features including Highlights, Outline, and Call Briefs in Call Spotlight demonstrate Gong's ability to provide sales reps with a nuanced understanding of customer interactions and sales opportunities. By offering a suite of tools that predict, produce, and prescribe the most impactful sales workflows, Gong is elevating sales teams' operational efficiency while providing a more accurate

understanding of customer dynamics. This holistic approach positions Gong as a crucial player in the evolving landscape of sales technology, where AI-driven insights are becoming indispensable for successful revenue generation.

MICROSOFT

Microsoft is noted for releasing Microsoft Fabric and Copilot offerings.

MICROSOFT FABRIC

Microsoft's marquee announcement of 2023 involved the general availability of Microsoft Fabric, bringing together Power BI, Azure Synapse Analytics, and Azure Data Factory in a single SaaS offering. Fabric offers customers a comprehensive analytics suite featuring a unified user experience and architecture, encompassing all the necessary capabilities for developers to store, transform, and extract insights from data and present them to business users seamlessly. In the data and analytics landscape, this novel approach avoids the typical stitching of disconnected services from multiple vendors, which introduces additional complexity and configuration to achieve optimal performance. By centralizing data management and BI tools, Microsoft makes it simpler, and likely cheaper, to deploy, administer, and leverage advanced analytics throughout Microsoft Dynamics 365.

MICROSOFT COPILOT

In 2023, Microsoft led the embedding of LLMs within enterprise applications with the release of its Copilot series. This move positions Microsoft as an early provider of LLM-driven productivity tools increasingly sought by businesses. The ongoing partnership with OpenAI and the development of targeted models for specific industries or processes further drive Microsoft's momentum. Microsoft has announced the development of several use cases in marketing, sales, customer service, project management, e-commerce, and supply chain operations. The vendor's integration of GPT4 into its Microsoft 365 suite and Power Platform as Copilot is expected to result in significant benefits for users, including projected 10 to 40 percent time savings for certain tasks and enhanced organizational decision-making. (Nucleus Research X63 - Demystifying the value of Microsoft's GPT-powered Copilot - March 2023)

ONWARDS HR

Onwards HR is an offboarding compliance platform that streamlines tasks associated with employee exits, whether they be reductions in force or mutual separations, in a way that is compliant with corporate policies and employment laws. Some of the solution's features include severance automation, case management, offboarding checklists, and reporting and analytics. The HR technology market has become saturated with hiring and onboarding features, leaving offboarding as an afterthought. However, with the recent prevalence of alumni talent pools and referrals, employers must have tools in place to conduct separations compliantly and empathetically. Onwards HR's early innovation in this space puts it at an advantage when competing against full-suite HCM and standalone onboarding/offboarding providers with comparatively lightweight functionality.

OPENAI

OpenAI, a leader in generative AI, has revolutionized NLP with its GPT series, including GPT-3 and GPT-4. These models excel in natural language understanding and generation, performing tasks like machine translation and text generation using transformer-based architectures and self-attention mechanisms. They are trained on large text corpora with unsupervised learning, using masked language modeling, and can be fine-tuned with supervised or reinforcement learning. In 2023, the impact of Large Language Models (LLMs) like GPT-4 in the enterprise sector has been palpable, with countless vendors integrating these models into their applications. GPT-4, recognized as the most powerful language model commercially available, has become a benchmark in LLM deployments, setting a high standard in the industry. OpenAI's leadership in generative AI is evident, as the company continues to drive innovation and new capabilities in LLMs. A notable recent development from OpenAI is the introduction of customizable versions of ChatGPT. This advancement allows users to tailor ChatGPT with specific instructions, additional knowledge, and various skill combinations, further cementing OpenAI's position as a leader in the field. As 2023 progresses, OpenAI's continuous innovation and expansion of capabilities in the realm of LLMs and generative AI are expected to maintain its momentum and influence across various applications and industries.

PTC

Founded in 1985 and headquartered in Boston, Massachusetts, PTC is a global software company offering technology solutions for design, manufacture, operation, and maintenance of products and systems. Its portfolio includes IIoT, PLM, CAD, PDM, ALM, SLM, and SPM solutions. PTC has demonstrated significant momentum through strategic acquisitions. The $1.46 billion acquisition of ServiceMax significantly expands PTC's role in product lifecycle operations, enhancing customer returns through integrated Field Service Management (FSM) data in PLM solutions. Additionally, acquiring pure-systems, a key player in product and software variant management, further strengthens PTC's market position. These acquisitions contribute to a closed-loop model-based digital thread strategy across operations, enhancing customer experience, facilitating new products and business models, and boosting productivity. PTC's Enterprise PLM aids enterprises and their external partners in maximizing automation and interoperability. Undergoing a SaaS transition, PTC has integrated solutions like Onshape and Arena into its portfolio, alongside the introduction of SaaS-based Windchill+, Creo+, Kepware+, fortifying its software offerings. In terms of momentum in enterprise applications of cutting-edge technology, customers Nucleus has spoken to over the past year have highlighted PTC's forefront position in deploying novel technologies in enterprise settings, particularly evident in the growing space of service-based IIoT. The company has also been instrumental in the enterprise deployment of AR in industrial settings, marking significant strides in integrating this technology into practical, operational environments.

REPLY

Reply is an Italian-based IT consulting and digital services firm serving organizations within the Automotive, Manufacturing, Energy, Financial Services, Logistics, Retail, and Telecommunications industries. Offering a comprehensive range of services, Reply offers cloud computing, code automation, cybersecurity, IoT, metaverse, quantum computing, robotics, and supply chain management services. Over the past year, Reply has implemented a Quantum Inspired Algorithm to optimize maintenance activity allocation and travel routes in a customer's supply chain, effectively minimizing time and distance. Additionally, Reply a research project, Bench-QC that is evaluating the practical usability of quantum computing in industrial applications. In 2023, Reply introduced MLFRAME Reply, an innovative generative artificial intelligence framework that facilitates the creation of conversational generative models for specific corporate knowledge domains. MLFRAME Reply enhances knowledge extraction and redistribution in human-like interaction systems, serving as a transformative solution in AI applications.

ROCKWELL

Rockwell Automation is recognized for its comprehensive industrial hardware, shopfloor automation, and software offerings. Rockwell Automation has long been a leading vendor of factory control systems, but with its acquisition of Plex and the latest FactoryTalk product releases, it has made significant headways as a software provider as well. Now with Plex ERP integrated with FactoryTalk products, Rockwell Automation can connect shopfloor systems, such as MES and CMMS, with Plex's business applications to create a closed-loop system with seamless data flows, analytics, and automation. With compatible ERP and factory control systems, Rockwell is one of the best positioned vendors to enable companies' Industry 4.0 modernization initiatives, including Industrial IoT sensors and smart robots for advanced manufacturing and warehouse operations. Additionally, Rockwell's investments into Plex further accelerate software development. Customers can expect greater financial, analytic, and supply chain management capabilities that will further improve supply chain planning and manufacturing efficiency.