

Magic Quadrant for Enterprise Content Management

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The enterprise content management market is marked by consolidation, a shift toward infrastructure vendors and a focus on solutions. This Magic Quadrant assesses ECM vendors and their software suites.

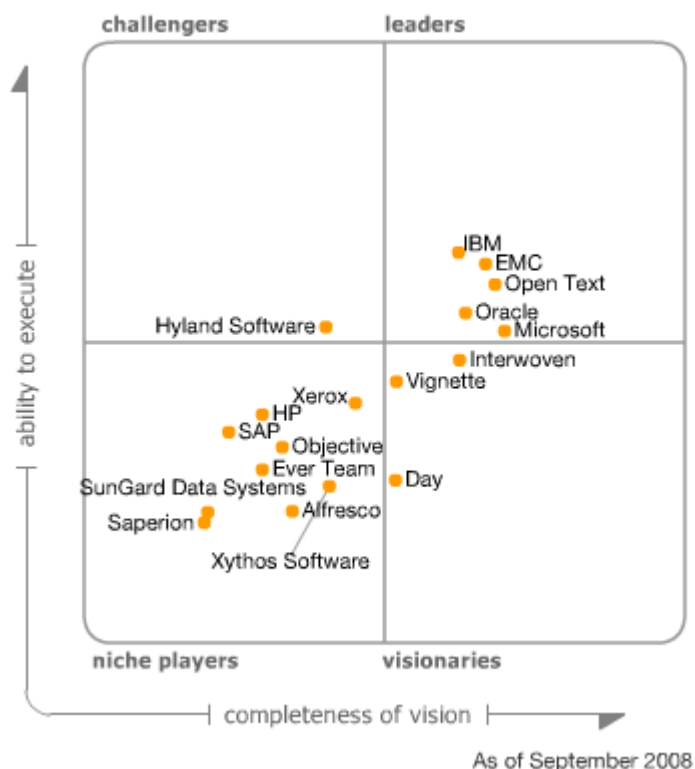
WHAT YOU NEED TO KNOW

Content management is a critical technology that helps organizations manage important documents and other unstructured information, such as photographs, XML components, video clips, podcasts and e-mail messages. Content management vendors address a range of user needs and offer a range of functionality, with some focusing on process-centric applications and others on basic content services (BCS). Enterprise content management (ECM) represents a vision and a framework for implementing a broad range of content management technologies and for extracting higher value from disparate content formats throughout an enterprise. Business planners and IT architects must understand the changing market dynamics and vendor landscape for ECM. ECM vendors must offer a wide range of capabilities that interoperate, but which may also be sold and used as separate products if needed. Use this Magic Quadrant to assess which ECM vendors have the functional capabilities and vision to support your business objectives and requirements, and that would therefore make suitable strategic partners.

MAGIC QUADRANT

This Magic Quadrant represents a snapshot of the ECM market at a particular point in time. Gartner advises readers not to compare the placement of vendors from last year to this year. The market is changing, and the criteria for selecting and ranking vendors continue to evolve. Our assessments take into account the vendors' current product offerings and overall strategies, as well as their future initiatives and product road maps. We also factor in how well vendors are driving market changes or at least adapting to changing market requirements.

Figure 1. Magic Quadrant for Enterprise Content Management



Source: Gartner (September 2008)

Market Overview

ECM is an umbrella term representing a vision and a framework for integrating a broad range of content management technologies. According to Gartner's statistics, worldwide ECM software license and maintenance revenue represented a \$2.9 billion market in 2007. Gartner predicts that total software revenue in the ECM market will grow at a compound annual rate of 12.2% through 2012 (see "Dataquest Insight: Enterprise Content Management Software Market Share Analysis, Worldwide, 2007"). This represents a healthy market, but it is also one that is undergoing transformation. Among the primary trends that IT architects and planners must consider as they develop content management strategies and determine their strategic partners are the following:

- ECM is increasingly becoming part of IT infrastructure.
- Compliance and information retention are getting higher profiles at CxO-level.
- Web 2.0 and mobile technologies, driven by user expectations, are influencing richer user interfaces and capabilities to empower business users.
- Integration and federation of content repositories will be critical in future.
- Application specificity — some vendors provide BCS, while others will have to focus on horizontal solutions and content-enabled vertical applications (CEVAs) in order to grow by delivering domain expertise.

- Alternative delivery models, such as software as a service (SaaS) and open source, are gaining increased interest.

Market Shifts Toward Infrastructure Vendors

Content management is becoming part of enterprises' infrastructure and consequently is being delivered by large vendors of enterprise infrastructure such as IBM, Microsoft and Oracle. These vendors play a key role in most organizations, providing a stable infrastructure on which to build content-centric applications. IBM, Oracle and EMC are competing at the high end of the market, while Microsoft is commoditizing the market at the low end. Recently, HP entered the ECM market by acquiring Tower Software, a niche vendor long known for its integrated document and records management. This shift means there are only four or five vendors that offer all the core functional components, have revenue of at least \$100 million, and the ability to support ECM in global and enterprisewide deployments. More than 54% of the market, as measured by total software revenue, is held by just three vendors — EMC, IBM and Open Text — while IBM, Microsoft and Oracle all registered double-digit growth between 2006 and 2007 in content management (see "Dataquest Insight: Enterprise Content Management Software Market Share Analysis, Worldwide, 2007"). This has resulted in fewer choices for end users and less opportunity for innovation. The increasing impact of infrastructure vendors and the commoditization of core content capabilities has also begun to marginalize a number of "pure play" vendors (those whose sole focus is content management) and Tier 2 vendors (those with revenues of considerably less than \$100 million). Pure-play content management vendors and vertical-market specialists such as Interwoven, Xerox, Xythos Software and Vignette are fighting to compete. Bright spots for the pure-play vendors and vertical specialists are the mid-market and CEVAs.

Understand the relevance of a stack vendor as an anchor point for your information infrastructure. Considering content management as essential infrastructure to support multiple business applications and aligning yourself to a specific vendor has its pros and cons. IBM and Oracle have the potential to drive the market forward by creating a powerful message based on broader enterprise information management (EIM). Since they own the key stack components, such as the database, the information access, business intelligence (BI), analytics and reporting tools (and often line-of-business applications), they can bring together structured data and unstructured content. On the other hand, choosing a suite from a stack vendor may involve tradeoffs as some functional components may not be equivalent to best-of-breed offerings. In addition, most enterprises use multiple stack vendors, which presents challenges in terms of how to rationalize them and how to make all the pieces work together. Open Text has chosen to embrace the stack by partnering and integrating with SAP, Microsoft and Oracle.

Of all the infrastructure vendors, Microsoft has driven the most change in the ECM market over the past 18 months with Windows SharePoint Services (WSS) and Microsoft Office SharePoint Server (MOSS) 2007. By delivering a broad set of functionality using an infrastructure approach, Microsoft has changed the way organizations think about content management and collaboration. Though Microsoft has commoditized content repository services and forced many entrenched vendors to shift strategies, SharePoint has also been a positive influence on the market overall. It has driven interest in end-user adoption of content management technologies, with many SharePoint deployments being additions to, not replacements of, existing content management systems. In a 2008 Gartner survey, 57% of respondents had implemented WSS and 38% had adopted MOSS 2007; another 28% indicated that they planned to implement MOSS in the next 24 months (see Note 1). The growing SharePoint adoption is also creating opportunities for Microsoft's partners, and even for its competitors, such as Open Text, as they look to supplement and extend SharePoint. It is slowly becoming an infrastructure platform that many workgroup and departmental applications will be built on by 2012 (see "Key Issues for SharePoint's Coexistence With ECM Systems Projects").

Adopting WSS or MOSS for mass deployment, and an ECM suite for high-end, content-centric processes and best-of-breed Web content, will remain a useful strategy for enterprises during the next three to five years. This coexistence strategy could reduce the costs and some of the risks of content management for an entire enterprise. Savings can be made by adopting the right tool for the task, and in user training because of the familiar interface and Microsoft Office's integration of BCS tools. Over time, IT leaders and application managers will also want to review how SharePoint applications are performing, evaluate future releases of SharePoint as a platform for content management, and determine whether a continued coexistence strategy makes sense.

A Range of Needs Leads to Application Specificity and a Fragmented Focus From Vendors

Content management technologies and solutions address a range of user needs. This has led to a somewhat fragmented focus in the market and to application specificity. Some content management vendors are focusing on process-centric applications, others on basic content services, and still others are heavily investing in compliance and electronic discovery (e-discovery).

Compliance, archiving and retention remain a focus for EMC, IBM and Oracle. More and more enterprises are making complex demands for the management and retention of historical information, because they face evolving compliance and discovery requirements. The volume of electronically stored content continues to increase dramatically, and more diverse content types need to be managed. As such, compliance and information retention issues are gaining a higher profile at the CxO-level, as evidenced by inquiries from Gartner clients. HP, IBM, Oracle and EMC have all indicated that they see new growth opportunities coming from compliance, archiving and e-discovery initiatives. Spending on e-discovery software technologies and services offerings is forecast to grow at more than 35% annually through 2011 (see "Report Highlight for Dataquest Insight: E-Discovery Market Drives New Search, Content and Records Management Investments").

Specialists like Interwoven and Vignette are moving into Web-based CEVAs and interactive marketing and customer experience. They remain among the few choices enterprises have for high-end, enterprise-class, externally-facing Web content management (WCM) solutions. In the mid-market, Hyland Software, SunGard Data Systems and Saperion use their imaging and archiving heritages to address transactional content applications such as medical records, claims processing and accounts payable invoice processing.

Integration/Federation Grows in Importance as Organizations Look to Establish an Information-Centric Infrastructure

The ideal ECM architecture would enable one repository, or a few repositories with a common database — but this is not an ideal world. Dealing with multiple, siloed content repositories is a fact of life for many organizations. In Gartner's 2008 survey of nearly 400 respondents (see Note 1), 69% of enterprises indicated they had more than six repositories. In many cases, these repositories consist of departmental solutions, and content is often duplicated in other repositories in the organization. Integration of the various content repositories that enterprises have can take several forms. Content management standards do exist, such as Open Document Management API (ODMA), Java Specification Request (JSR) 170, JSR 283 and Web Distributed Authoring and Versioning (WebDAV). However, these have been either too narrow or too complex and have achieved limited adoption. For now, the most practical approach involves using custom connectors — application programming interfaces (APIs) — to link one repository to others in order to meet specific needs. Many enterprises also use portals, XML databases and federated search to consolidate access to frequently used content. Federated search and retention management and service-oriented architecture (SOA) will continue to grow in importance

as organizations move to federate, rationalize and consolidate their content repositories. In September 2008, EMC, IBM and Microsoft announced they had developed a Web services protocol, Content Management Interoperability Services (CMIS). This proposed standard governs the exchange of content between ECM repositories and may succeed where others have failed (see "New Standard Will Make Content Repositories Interoperable").

As companies plan for an increasingly information-centric future, they must understand how the development of today's content management applications will fit into an overall architecture. Enterprises keep a vast amount of information locked up in documents, spreadsheets and other forms of unstructured data ("content"). To maximize the value of this information, enterprises need to integrate the various types and stores of content, integrate content with structured data, and integrate internal content with content and structured data outside the enterprise. For information management, solutions such as content integration and service-oriented content applications will gain momentum to resolve unique business requirements. Information access has always been a critical component of an ECM suite and will play an even bigger role in helping companies sift through structured and unstructured information as it expands to include content analytics. XML is becoming increasingly important for content creation, component management, output and integration with other applications. The term "mashup" has become synonymous with content couplings that were formerly difficult to achieve, even with traditional integration resources. Enterprise mashups that integrate content with business application data or with Web content via Really Simple Syndication (RSS) feeds or APIs remain rudimentary compared with the explosion of consumer mashups. Yet some early examples of content/data mashups have begun to appear. Microsoft and SAP's Duet is one example where Outlook e-mail files interact with ERP data. Open Text's melding of geographic information system information with Web content allows government agencies and their constituents to view files associated with Google Maps locations. IBM intends to deliver ECM-focused widgets for creating mashups as part of the FileNet P8 platform.

User Empowerment vs. Governance

For many organizations, the need to increase workers' productivity and innovation is more important than ever. Critical goals include improving users' Web experience and connecting workers to relevant content and to each other. Organizations building overall content infrastructures or architectures need to address an expanding variety of content types across a continuum, and must also deal with collaborative processes. Some content applications may span corporate boundaries as companies deal increasingly with partners, suppliers, consultants and so on. Increasingly, Web 2.0-based clients will become the user interface with content management solutions, fostering real-time content sharing, and delivering content to users in the context of their role or business process. Likewise, users are seeking new ways to create and consume content through multiple formats, channels, devices and applications. Pervasive access to information from anywhere at any time is becoming a key requirement. Interwoven, Open Text and EMC are among the ECM vendors focusing development efforts on increased support for mobile clients, such as BlackBerrys and the iPhone, and for offline capabilities.

Consumer and user-centered technologies are experiencing "grass-roots" adoption in enterprises where they are empowering information workers, giving them more control over content creation, sharing and dissemination. Wikis, blogs, podcasts and instant messaging have become staples in many enterprises, especially as marketing tools or as means of communicating with customers, prospects, employees and partners. Wikis and blogs enable content creation, but can users manage content with them? Social software and Web 2.0-based collaboration tools are changing how we work with content today and how we will create, manage and share content in the future. Enterprise and information architects should assess how able their ECM vendor(s) are when it comes to providing Web 2.0 features or integrating with third-party solutions for collaboration and

communication to avoid creating more content silos. Usability remains a critical characteristic of perceived success or failure for ECM.

On the other side of the equation, IT organizations have traditionally been expected to manage costs and reduce risk by keeping tight control over technology acquisitions — an approach that usually meant "locking down" the enterprise and keeping it safe from unauthorized access. Many organizations that Gartner speaks with focus their ECM initiatives on content that is part of formal, structured business processes like invoice processing, claims processing, loan origination and case management. Information and enterprise architects tend to focus most of their efforts and tools on the long-term retention and archiving of this content for compliance and risk management reasons. They often overlook ad hoc content and collaborative processes. Social software encourages informal collaborative activities that fall outside the traditional scope of transactional applications, formal workflows or engineered teams. The rapid growth of social network interactions and the desire for open innovation will require IT organizations to develop a new approach that balances the need for corporate security with the requirement to accommodate frequent customer and partner conversations. IT staff will still be expected to manage this content at the back end of the life cycle.

Today, however, all this content creation and sharing typically happens outside any formal content management strategy. Organizations should take advantage of evolving, richer user interfaces and tools for content creation, consumption and multichannel output. But they should consider them as part of an overall content management strategy, rather than as separate initiatives.

Alternative Delivery Models

The capital outlay required for ECM, and the internal resources needed to implement and maintain ECM suites, can be daunting. It is not unusual for an organization to spend \$1 million or more on software and services for a large deal. In a 2008 survey (see Note 1), 22% of the respondents indicated they were spending over \$1 million on content management software purchases in 2008, while 14% were spending between \$500,000 and \$1 million. In addition, it can take at least six to 18 months to deploy an ECM application. Not surprisingly, many organizations have begun seeking delivery alternatives for content management technologies and the means of acquiring them. Gartner clients are increasingly asking about SaaS, shared services and open source as alternative delivery approaches to implementing on-premises, commercial software. Yet the penetration of open-source and SaaS solutions today represents less than 5% of the overall ECM software market (based on total software revenue).

SaaS is an evolution of the application service provider or hosted model. Hosted software is not new, but in the past many application outsourcers would deploy and host a range of applications previously purchased by the customer. In contrast, SaaS is about providers building a specific application, which they run in a multitenancy environment. They then bring it to market with a configurable front end and a subscription-based business model. Although demand for SaaS — and for hosted solutions generally — is increasing, these offerings will remain a relatively small part of the overall ECM market through 2010. Google's foray into the document-centric collaboration space (Google Apps), and market entries by Microsoft, IBM and EMC will compete against SpringCM and other incumbents and likely drive increased interest and demand.

Open-source content management offerings make sense for organizations that have committed to compatible products and tools, and that have the internal skills necessary to support them or can get support from third parties. Organizations just embarking on ECM initiatives might consider open-source solutions, not being burdened by established legacy systems. IBM and EMC's use of open-source development components and Adobe's embedding of the Alfresco

ECM platform as the repository for its LiveCycle suite may foster increased interest in open-source technologies.

Market Definition/Description

The term "enterprise content management" covers the vision and framework that enterprises have for integrating a broad range of content management technologies and content formats. ECM can help enterprises take control of their content and, in so doing, boost productivity, encourage collaboration and make information easier to share. ECM suites consist of applications that interoperate, but that can be sold and used separately. Some vendors have added extended technology components, such as digital asset management (DAM) for handling rich media, electronic forms and document composition for high-volume generation of customized documents. Gartner defines today's ECM suites as encompassing the following core components:

- **Document management** for check-in/check-out, version control, security and library services for business documents.
- **Document imaging** for capturing, transforming and managing images of paper documents.
- **Records management** for long-term archiving, automation of retention and compliance policies, and ensuring legal, regulatory and industry compliance.
- **Workflow** for supporting business processes, routing content, assigning work tasks and states, and creating audit trails.
- **Web content management** for controlling the content of a Web site through the use of specific management tools based on a core repository. It includes content creation functions, such as templating, workflow and change management, and content deployment functions that deliver prepackaged or on-demand content to Web servers.
- **Document-centric collaboration** for document sharing and supporting project teams.

Though not explicitly identified as a core component, information access, or search, technology has always been a critical component of an ECM suite, and it will play an even bigger role in helping companies sift through structured and unstructured information. All ECM products ship with a search engine embedded as a core component, so that users can create a full-text index and search the content stored in repositories. Most ECM vendors re-license the search engine from another provider, typically Autonomy-Verity or Fast (see "Q&A: ECM and Information Access Technologies Grow Ever-More Entwined").

Inclusion and Exclusion Criteria

To appear in this Magic Quadrant, a vendor must meet Gartner's criteria for revenue, geographic presence, functional capabilities and "referenceability." Specifically, a vendor must have at least \$10 million in total content management software revenue (licenses, updates and maintenance); for open-source software providers, a vendor must have at least \$10 million in annual customer subscriptions for maintenance and support. A vendor must also actively market its products in at least two major regions — for example, North America and Europe, the Middle East and Africa (EMEA), or Asia/Pacific and Latin America. A vendor must have ECM software commercially available and active references that use the product in production scenarios. Lastly, a vendor must have a content management suite that addresses the core components listed below. A vendor should have an integrated suite with at least four of these capabilities supplied natively; others may be supplied through partners. To be considered for the Leaders quadrant, a vendor

must provide all six components natively, though they may be loosely coupled components in the suite.

- **Core document library services (check-in/check-out, version control, document-level security).** Advanced capabilities, such as compound document support and content replication, score more highly than minimal library services.
- **Document imaging repository capabilities.** Document imaging consists of two components. The document capture (scanning hardware and software, optical and intelligent character recognition technologies, and forms processing) portion can be carried out via native capabilities, or through a formal partnership with a third-party solution such as Kofax, EMC Captiva or Datacap. But the vendor must also be able to store images of scanned documents in the repository as "just another" content type in a folder and route them through an electronic process.
- **Records management.** The minimum requirement is an ability to enforce retention of critical business documents based on a records retention schedule. Higher ratings are given for certified compliance with standards such as the Department of Defense (DOD) Directive 5015.2-STD, The National Archives (TNA), Victorian Electronic Records Strategy (VERS) and Model Requirements for the Management of Electronic Records (MoReq).
- **Workflow.** The minimal requirement is simple document review and approval workflow. Higher points are given to those with graphical process builders, and serial and parallel routing.
- **Web content management.** The minimum requirement is a formal partnership with a WCM provider. Native capabilities score higher than partnerships.
- **Document-centric collaboration.** Document sharing, project team support and support for ad hoc, threaded discussions around documents.

Evolving Requirements

Part of our assessment involves looking at how well each vendor understands evolving requirements and market trends. We evaluated trends and developments around emerging functionality, technical architecture (for example, standards support, Web services and Web 2.0 capabilities), as well as federation and integration with other content repositories and applications.

Added

Alfresco, an open-source ECM provider, and Saperion, a vendor focused on the mid-market, now meet the functional criteria and revenue threshold for inclusion in this Magic Quadrant. HP entered the ECM market with its acquisition of Tower Software, a niche ECM vendor.

Dropped

Sword Group (Cimage) no longer meets our inclusion requirements for an ECM suite vendor; nor does it compete as a broad ECM platform vendor. Its Fusion software offering, a content application for managing engineering documentation, can run on top of an existing ECM system. Tower Software has been acquired by HP and is covered under HP in this Magic Quadrant.

Evaluation Criteria

Ability to Execute

The ability to execute criterion measures how well a vendor sells and supports its ECM products and services on a global basis. In addition to rating product capabilities, we evaluated each vendor's viability, installed base, pricing, customer support and satisfaction, and product migrations from one major release to another.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	high
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	standard
Marketing Execution	standard
Customer Experience	standard
Operations	standard

Source: Gartner

Completeness of Vision

Completeness of vision focuses on potential. A vendor can succeed financially in the short term without it, but won't become a Leader without a clearly defined vision or strategic plan. A vendor with average vision will anticipate and respond to change by accurately perceiving market trends and exploiting technology. A vendor with superior vision can anticipate, direct and initiate market trends, particularly if it integrates its vision into a broad range of areas, and capitalizes on product and service development.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	standard
Marketing Strategy	standard
Sales Strategy	standard
Offering (Product) Strategy	high
Business Model	standard
Vertical/Industry Strategy	high
Innovation	low
Geographic Strategy	standard

Source: Gartner

Leaders

Leaders have the highest combined scores for ability to execute and completeness of vision. They are doing well and are prepared for the future with a clearly articulated vision. In the context of content management, they have strong channel partners, a presence in multiple regions, consistent financial performance, broad platform support and good customer support. In addition, they dominate in one or more technology or vertical market. Leaders deliver a suite that addresses all six core components, though these are not necessarily tightly integrated or best-of-breed in each area. Greater emphasis is given this year to demonstrated enterprise deployments; integration with other business applications and content repositories; incorporation of Web 2.0 and XML capabilities; and vertical-process/horizontal-solution focus. Market leaders can, and should, drive market transformation. As a result, there are five leaders in this year's Magic Quadrant — nearly two years after the general availability of SharePoint 2007, Microsoft has moved into the Leaders quadrant as the dominant provider of BCS.

Challengers

Challengers have good functionality and a substantial number of installations, but lack the vision of Leaders. They don't possess all the core ECM components; rather, they use partnerships to round out their suites. Hyland Software remains the only Challenger.

Visionaries

Visionaries may offer all capabilities natively or partner for several core ECM components. In some cases, Visionaries will need to integrate their acquisitions into their product suites. They typically show a strong understanding of the market and anticipate shifting drivers. They may lead efforts around standards, new technologies or alternative delivery models, but they have less ability to execute than the Leaders. They are building their market presence.

Niche Players

Niche Players typically focus on specific areas of ECM technology (such as document imaging, WCM or records management), not on the entire suite or on providing vertical solutions. They may also represent infrastructure vendors delivering BCS. This category may also include vendors that are still ramping up their overall ECM efforts and that have neither the vision nor the execution to break out of the Niche Players quadrant. Some Niche Players are "boutiques" that serve only specialized regions, vertical industries or functional domains, not the broader market.

Vendor Strengths and Cautions

Alfresco

Strengths

- Since its founding in 2005, Alfresco has driven interest in and adoption of open-source ECM software. Alfresco operates on an open-source model and its revenue derives from annual customer subscriptions for maintenance and support.
- Alfresco has the backing of a strong community as well as a partner channel that includes regional and global system integrators such as Atos Origin, Optaros and Unisys.

Cautions

- Our discussions with clients indicate that Alfresco is used mostly for its basic content management capabilities. Some functional aspects of its suite are new and unproven for enterprise deployment.
- Though based on a modern architecture and spanning the full range of content capabilities, Alfresco's suite is still evolving and its emphasis is shifting from ECM to social software and collaboration.

Day

Strengths

- Day has led industry efforts on integration standards such as JSR 170 and, more recently, JSR 283. It has also been instrumental in developing the Java Content Repository, a standards-based repository based on these JSR specifications.
- Day's Communiqué product is a sophisticated WCM platform that utilizes a virtual repository. It includes DAM and limited portal functionality, which gives it powerful Web content deployment and personalization features; this appeals to buyers who want technical excellence combined with usability.

Cautions

- Day is a small, technology-focused company that needs to strengthen its focus on business buyers. With a new CEO and a new product release planned by the end of 2008, Day has begun taking steps to address this. Though initial efforts look promising, it is likely to take eight to 12 months before any traction resulting from Day's revised strategy can be measured reliably.
- The Communiqué product suite lacks records management capabilities and offers only basic functionality for other ECM solution components, such as document management and workflow. Day faces substantial challenges in the overall ECM market, given its limited resources and market presence.

EMC

Strengths

- EMC has been a consistent market leader with a strong track record for enterprise deployments of Documentum and an annual growth rate that exceeds that of the overall content management market.
- EMC's content management and archiving unit provides broad and deep functionality via its product portfolio, addressing the entire content life cycle from capture through to final archive. Its recent release of Documentum 6.5 provides additional functionality, including Web 2.0 clients and collaboration.
- EMC continues to add to its business through acquisitions. Recent acquisitions have boosted its XML component management, transactional content management and output management capabilities.

Cautions

- EMC's business process management (BPM) has made significant strides, though it has yet to achieve the market penetration of BPM products from key competitors, especially IBM. Its WCM capabilities are still a work in progress and do not rival those of WCM leaders and specialists.
- With the release of versions 6.0 and 6.5, EMC's Documentum platform is easier to configure and deploy, but application development remains complex and requires a long cycle time. It is essential that EMC grow its technology and developer partner "ecosystem."

Ever Team

Strengths

- Ever Team is primarily a European vendor. It is especially strong in France and Spain, but it also has good traction in the Middle East. It expanded to the U.K. and the U.S. markets in 2008. Ever Team focuses on the government, education, insurance and utilities markets.
- Ever Team now offers two product suites in the ECM space: its Java Platform, Enterprise Edition (Java EE)-based EverSuite and a new Microsoft .NET-based suite built on the SharePoint infrastructure. The Java-based EverSuite is a well-integrated ECM product suite with good workflow capabilities and its own portal interface. It is built on a standards-based, services-oriented architecture that supports WebDAV and JSR 170. The Microsoft-based EverSuite is packaged as a suite aimed primarily at departmental applications within enterprises and as a series of out-of-the box CEVAs exclusively for the small and midsize business (SMB) market.

Cautions

- Ever Team's continued relevance as an independent player in a market shifting toward infrastructure vendors is uncertain. Gartner believes Ever Team's future lies in continuing to deliver on its CEVA strategy, especially its emerging SharePoint-based CEVAs for the SMB market.

HP

Strengths

- Tower Software, which HP acquired in 2008, was long known as an Australian visionary for integrated document and records management, but it struggled to penetrate beyond niche status. HP provides the financial resources and global footprint that Tower lacked.
- With Tower's TRIM technology, HP gains an important element for developing its integrated archiving platform (IAP). Tower's records management capabilities will be used to enhance the identification of corporate records as well as the classification and retention management capabilities of the IAP.

Cautions

- While TRIM addressed a range of ECM capabilities, we believe HP will focus primarily on the document and records management components as it builds an information management strategy focused on compliance, archiving and e-discovery. Organizations

looking for a broader ECM platform to support CEVAs and WCM will likely need to consider other options.

Hyland Software

Strengths

- Hyland Software has been one of the more successful midtier ECM vendors, with a compound annual growth rate that has consistently outpaced that of the overall ECM market. This success has largely been due to Hyland's focus on its core document imaging and workflow strengths, as well as its head start in CEVA solutions for medical records, claims processing and accounts payable invoice processing.
- Hyland's "sweet spot" has traditionally been departmental implementations and mid-market solutions, but it has proven its ability to scale to larger transactional content implementations.
- With the growing interest in Microsoft SharePoint for BCS, Hyland's Microsoft-centric architecture will stand it in good stead as a value-added partner — more so than as a competitor — as it looks to complement and extend SharePoint with image-based and process-centric solutions.

Cautions

- Despite its good growth and track record, Hyland remains a midtier vendor competing increasingly against larger infrastructure players. Growing competition from Oracle for ERP integration and the focus of HP and EMC on the increasing demand for SharePoint archiving will likely impact Hyland, even in the mid-market.
- Though Hyland has a good global reseller channel, it will need to build up its partner channel with larger system integrators and professional services firms in order to compete for more opportunities for broad deployments in large enterprises.
- Hyland OnBase incorporates retention capabilities, but its offering is not yet certified as compliant with the DOD 5015.2 records management standard, which may preclude its selection by U.S. federal government agencies.

IBM

Strengths

- IBM is the largest ECM vendor based on total software revenue, with a 25% market share. It typically appears on shortlists for global ECM deployments.
- IBM has a leading position in key vertical markets, including its traditional markets of financial services, insurance, banking and government. This lead is sustained by its product strengths in high-volume imaging, records management and content-centric BPM applications, and its extensive partner service channel.
- On the social software and collaboration front, IBM has shown vision and innovation over the past year, but until recently its efforts were largely independent of its content management strategy and vision. In its information management division, IBM has begun making progress with the release of content collection (extraction, transformation, loading and analytics) capabilities and classification and e-discovery products. It also has a number of promising initiatives around BI for content and mashups using its underlying content repositories, but these are not yet generally available products.

Cautions

- IBM is a portfolio company with a broad and often overlapping set of products. Based on Gartner's discussions with IBM customers and prospects, this has caused confusion about IBM's overall vision and product road map.
- Though it offers the full breadth of ECM functionality, some functional capabilities (such as WCM) lag behind those of its competitors, and some products are developed in different IBM organizations (Lotus, for instance), leading to an ECM suite that is loosely coupled rather than well-integrated. For example, IBM's core WCM offering is Lotus Web Content Management, which is often implemented as an add-on for the WebSphere Portal platform. Similarly, within the IBM portfolio there are multiple offerings for document-centric collaboration, the main one being Lotus Quickr.
- IBM has the potential to drive the market toward EIM and more socially-oriented collaborative content. But it has struggled to refine and deliver a cross-product-division marketing message as it works to integrate FileNet and address emerging Web 2.0 standards and trends across its various product portfolios. It has yet to capitalize on its broad and innovative capabilities to drive market transformation.

Interwoven

Strengths

- Interwoven has increasingly focused its strategy on being a best-of-breed content management vendor, with a strong message around Web-based and vertical-specific solutions. This is a key differentiator for the company in a market increasingly dominated by software infrastructure vendors. The strategy has paid off in terms of helping Interwoven achieve profitability, revenue growth and new customers, bringing its total customer base to over 4,400.
- Recent acquisitions have given Interwoven additional capabilities to support its solutions strategy. Optimost extends its Web-based solutions with multivariable testing, while its most recent acquisition, Discovery Mining, provides a SaaS-based offering for e-discovery and enhances Interwoven's solutions for the professional services market.

Cautions

- Although Interwoven has all the core ECM capabilities and related components such as DAM, it delivers and emphasizes these as stand-alone offerings for different business scenarios. The suite is only loosely coupled, and cross-selling opportunities are limited.
- Gartner believes that Interwoven's future lies in high-end WCM, analytics and marketing solutions. It can continue to carve out a successful position with its consistent marketing messages and Web-based solutions, but this won't be easy given the increasing competitive pressures and changing market dynamics. Interwoven must continue to penetrate the accounting, legal and professional services markets and expand into adjacent markets such as the government sector — otherwise, like others, it faces a stagnant future in the traditional document and records management arena.

Microsoft

Strengths

- More so than any other vendor, Microsoft has driven ECM market transformation with SharePoint 2007. Microsoft has brought BCS to the masses by bringing the cost per seat down and tying simple content management to the familiar desktop tools that users use every day. By commoditizing core library services, it has forced traditional ECM vendors to move deeper into vertical applications as a way to differentiate their offerings, thereby reducing the cost of solutions that once were custom-built.
- With MOSS 2007, Microsoft provides an integrated product suite that provides at least basic capabilities in the six core ECM functional components, along with portal and search capabilities. The fact that it is built on the Microsoft stack will appeal to a broad range of organizations for whom Microsoft is a strategic partner.
- Microsoft has gained fast adoption by exploiting the synergies of integration with Office personal productivity applications, Exchange, Windows Vista and SQL Server, and by offering WSS to anyone with a Windows Server Client Access License (CAL) at no additional cost. Would-be users do not have to go through the onerous process of building a case for return on investment in order to get the budget for a content management application.

Cautions

- While MOSS 2007 has attracted interest and gained some traction as a records management tool, a WCM solution and a platform for building CEVAs, it still has to mature in these areas. BPM and imaging are the most notable of the many partner technologies required to rapidly develop and deploy solutions.
- Feedback regarding large, decentralized deployments of MOSS 2007 indicates a need for improvements in scalability and in management and replication functionality. Microsoft has begun providing tools and published guidance to address these challenges.
- Microsoft must continue to ramp up support, training and partner certification as there is a clear "skills gap" between the demand SharePoint has created and the supply of well-trained implementation personnel.

Objective

Strengths

- Objective, an Australia-based vendor, has a strong vertical-market focus on the public sector in Asia/Pacific and Europe.
- The Objective suite, which has evolved through development rather than acquisition, is well-integrated and addresses the core ECM functional components.
- Objective's key differentiators are its native support for engineering drawing management and its CEVAs.

Cautions

- While Objective has chosen to limit its geographic presence to Asia/Pacific and Europe in order to focus its limited resources, this may eliminate it from consideration by global organizations.
- Historically, Objective has delivered most professional services itself, rather than through partners. Recently, it has begun to establish relationships with major system integrators, but it needs to expand further and extend this partner channel.

Open Text

Strengths

- As the largest pure-play ECM vendor in terms of software and maintenance revenue, Open Text is deeply focused on content management with a broad product portfolio that includes a leading WCM product and a DAM offering. It continues to execute well and to increase its revenue and customer base.
- Open Text has a good track record in the oil, gas and financial services sectors. Also, with the acquisition of Hummingbird in 2006, it gained a strong position in the legal market and a growing customer base in government organizations. Open Text retains a strong presence in these markets.
- Open Text has developed a good ecosystem with two key software infrastructure vendors: SAP and Microsoft. Open Text provides good integration with these vendors' infrastructure platforms. It also has a reseller arrangement with SAP, whereby SAP resells Open Text's archiving and document access products, and co-markets its records management product.

Cautions

- Open Text has made many acquisitions over the years and continues to grow through acquisitions, resulting in multiple and redundant products. Although Open Text is ramping up its R&D, it still needs to rationalize these products so that it can concentrate its R&D resources better.
- While Open Text has expanded and is driving more revenue through its partner channel, including SAP, it must continue to expand its services channel to include more vertical-market expertise and implementation partners.

Oracle

Strengths

- Oracle Universal Content Management (formerly Stellent UCM) is a mature, well-integrated product suite. Now that it is under the Oracle brand, it has access to a deep set of complementary technologies, such as BPM, BI and enterprise search.
- The size and capabilities of Oracle's sales force, product development and support organizations give the company significant opportunities to grow its content management business. As its development and support programs become more established and its sales channel gets ramped up on UCM, Oracle should be able to increase its market share.

- As a software infrastructure vendor, Oracle intends to make content management pervasive in its business applications, while also bringing its middleware component capabilities into the Oracle UCM suite. Oracle customers will find this appealing.

Cautions

- Oracle has made the transition in rebranding former Stellent ECM products and has rolled out a product road map for UCM 10gR3 and UCM 11g. It still has to retire the Oracle Content Database product and move customers to the UCM platform.
- Oracle's penetration of UCM within its customer base is increasing. Elsewhere, however, it still faces significant challenges in competing with IBM and EMC for large ECM deals.

SAP

Strengths

- In the content management market, SAP is an infrastructure vendor that delivers content services as part of its application stack. SAP's approach and support for information workers includes basic content management and team collaboration workspaces through the NetWeaver integration platform.
- SAP has a good partner ecosystem with EMC and Open Text, among others, to extend its basic content management capabilities. It relies on partners like Open Text to address customers' broader content management requirements and complex business processes.

Cautions

- SAP's strategy is to deliver archiving, document management and records management as part of SAP business solutions, rather than to offer a full ECM suite. Organizations with deeper requirements and those looking for broader functionality will need to extend SAP's capabilities with a partner's offering.
- Clients perceive SAP to be an ECM vendor, and SAP-centric shops have utilized its document and records management capabilities to address their basic needs. Yet outside SAP-centric organizations, SAP has little appeal. Gartner estimates that SAP has less than 1% of the worldwide content management market, based on software license and maintenance revenue.

Saperion

Strengths

- Saperion has good adoption in the mid-market and is expanding from its archiving heritage into building vertical solutions.
- Saperion's core product suite, which is built on open platforms and supports JSR 170, addresses document imaging, document management, records management, workflow and document-centric collaboration. To address the customer's Web content needs, it relies on Day as its commercial partner and on open-source offerings such as Typo3 and Lenya.

Cautions

- Saperion is primarily a European software provider. It has a strong track record in Germany, and a growing distribution channel in Eastern Europe and in the Middle East. Outside these markets, it has limited penetration.
- Despite double-digit compound annual growth, Saperion remains a midtier vendor competing increasingly against larger infrastructure players. Growing competition from Oracle for ERP integration and Open Text for SAP archiving may limit Saperion's penetration beyond mid-market opportunities in Germany.

SunGard Data Systems

Strengths

- SunGard EXP, a subsidiary of SunGard Data Systems (see Note 3), is a vertical-market specialist delivering CEVAs for financial services, insurance, healthcare, public sector and higher education. It competes against vendors such as Perceptive Software and Hyland in the mid-to-upper market.
- The strengths of the SunGard EXP suite are primarily in imaging, workflow and archiving.

Cautions

- SunGard EXP has limited presence beyond its target markets of insurance, healthcare, financial services and higher education. It faces direct challenges from a growing number of suite vendors delivering more vertical solutions.
- Customization for specific users can be expensive, and support for changes to core application logic is limited.

Vignette

Strengths

- Vignette has a strong platform and a vision for customer engagement — including both WCM and portal functionality — that provides a good foundation for developers. Its range of Web-focused solutions has been extended to include a digital services hub strategy, which may help its positioning in the microcontent commerce market for telco, media and entertainment clients.
- Vignette has proven scalability and provides the foundation for many high-volume, transaction-based Web sites.
- Vignette has a large base of blue-chip customers and can cite many success stories in supporting the design and development of engaging customer sites. Its combination of content, collaboration and portal capabilities could prove a compelling and competitive alternative to more complex or expensive software from stack vendors.

Cautions

- Former complaints about the complexity of Vignette's WCM application and a lack of business-user-friendly templates and design tools have been addressed to a degree by Vignette QuickSite. It remains true, however, that enterprises look for skilled developers

and that there are fewer Vignette V7-trained designers and developers than the market demands.

- Vignette's financial status warrants close monitoring as the firm suffered financial losses in the first two quarters of 2008. Its growth is markedly lower than that of its competitors. Its services revenue has been flat, while new license revenue has declined — a troubling sign for a software company. Recent product delivery has yet to yield significant new sales successes.
- Vignette has all the core ECM capabilities as well as a portal, but they are loosely coupled and Vignette delivers and emphasizes them as stand-alone offerings for different business scenarios. The company is moving to compete across too many markets and may not sustain its relevance in ECM as much as in WCM, portals or services.

Xerox

Strengths

- Xerox DocuShare appeals primarily to companies that already have big Xerox investments in other areas. DocuShare has won its biggest support from midsize customers.
- The addition of DocuShare CPX provides increased functionality and scalability. With DocuShare CPX, Xerox delivers both BCS and ECM in a single platform.
- Xerox is increasingly positioning DocuShare as one element of a content-oriented arsenal of product offerings including outsourced global image capture and document-oriented business process outsourcing, as well as solutions for e-discovery and mortgage loan origination.

Cautions

- Xerox has moved DocuShare into its Xerox Global Services organization. It must continue to enhance the product's functionality, which may prove more challenging as part of a services organization.
- DocuShare has all the basic ECM capabilities but, as organizations are looking to support increased compliance requirements, a stronger focus on records management and content archiving functionality will be needed.
- Gartner believes Xerox's future lies in its broader role as a content *services* provider, rather than as a software vendor. DocuShare may help Xerox in the content services market, but Xerox will be challenged to gain further traction in the ECM software market with DocuShare, given the changing competitive landscape and market dynamics.

Xyθος Software

Strengths

- Xyθος Software, a Blackboard company, has long focused on providing standards-based technology, using WebDAV to provide flexible access to content anywhere. It provides both on-premises and SaaS basic content management offerings.
- The Xyθος Enterprise Document Management Suite (EDMS) is a Java-based BCS alternative to SharePoint with proven ability to scale and a good track record of adoption

in the higher education sector. Xythos EDMS has been expanded to include Web 2.0 and offline capabilities.

Cautions

- Xythos was acquired by its OEM partner, Blackboard, in 2007. This acquisition gives Xythos more financial resources, but is likely to drive it deeper into its dominant vertical market of higher education and limit penetration into other vertical markets.
- Competing as a horizontal BCS provider will not be enough for Xythos in future, given the changing competitive landscape and market dynamics. Xythos and Blackboard must continue to cultivate value-added reseller and system integration partners, especially in the international community. Xythos must also develop vertical applications on the Xythos EDMS platform.

RECOMMENDED READING

"MarketScope for Web Content Management"

"MarketScope for Records Management"

"Toolkit: An Eight-Step Method for Evaluating ECM Vendors"

"Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market"

Acronym Key and Glossary Terms

API	application programming interface
BCS	basic content services
BPM	business process management
CAL	Client Access License
CEVA	content-enabled vertical application
CMIS	Content Management Interoperability Services
DAM	digital asset management
DOD	Department of Defense
ECM	enterprise content management
EDMS	Enterprise Document Management Suite (Xythos)
EIM	enterprise information management
EMEA	Europe, the Middle East and Africa
IAP	integrated archiving platform
Java EE	Java Platform, Enterprise Edition
JSR	Java Specification Request
MoReq	Model Requirements for the Management of Electronic Records

MOSS	Microsoft Office SharePoint Server
ODMA	Open Document Management API
OEM	original equipment manufacturer
RSS	Really Simple Syndication
SaaS	software as a service
SMB	small and midsize business
SoA	service-oriented architecture
TNA	The National Archives
VERS	Victorian Electronic Records Strategy
WCM	Web content management
WebDAV	Web Distributed Authoring and Versioning
WSS	Windows SharePoint Services

Note 1

Survey Methodology

Gartner received a total of 800 completed surveys from end-user organizations in July 2008. These gave a representative set of results from key countries (the U.S., the U.K., France, Germany, India and Australia). Our goal was to obtain a global view of users' wants and needs in data warehousing, data integration, data quality, database management system, enterprise information management, content management and search. "Soft" quotas were used to ensure a reasonable spread across all industries. The organizations surveyed were midsize or large — that is, they ranged from a minimum of 500 employees to more than 10,000.

Note 2

Basic Content Service

A BCS product can be differentiated from an ECM product as follows:

- **Cost** is the most distinctive characteristic of a BCS product. Software licenses can cost less than \$100 per user for large-volume deals. Requirements for extra functions will increase the initial software costs if content management components are not included.
- **Functionality** is more limited in a BCS product in terms of breadth and depth. These products include some of the basic functions of ECM product suites, but capabilities are strong in some areas and weak in others.
- **Scalability** is just as important for a BCS product as for a traditional ECM suite. A BCS product will need to support many users, but may only need to handle a small number of documents.
- **Ease of deployment** has a significant impact on overall application costs. BCS products are unique solutions that require minimal professional services to configure and implement.

- **Ease of integration with desktop productivity tools.** BCS offerings are typically tied to a variety of client applications, including Microsoft Office.

Note 3 Disclaimer

SunGard Data Systems Inc. is a portfolio company of Silver Lake Partners, a private investment firm that also owns a substantial, publicly disclosed interest in Gartner, Inc., and has two seats on Gartner's 11-member Board of Directors. Gartner research is produced independently by the Company's analysts, without the influence, review or approval of our investors, shareholders or directors. For further information on the independence and integrity of Gartner research, see "Guiding Principles of Independence and Objectivity" on our Web site, www.gartner.com.

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor's appearance in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, of changed evaluation criteria, or of a change of focus by a vendor.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit continuing to invest in the product, continuing to offer the product and continuing to advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand and business, increase awareness of products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other means that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through a Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product that uses an appropriate network of direct and indirect sales, marketing, service and communication affiliates to extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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