

Magic Quadrant for Enterprise Content Management, 2007

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This Magic Quadrant assesses content management vendors and their enterprise content management product suites' completeness, maturity and integration. As firms deploy content infrastructure and some core functions become commoditized, these aspects will be crucial.

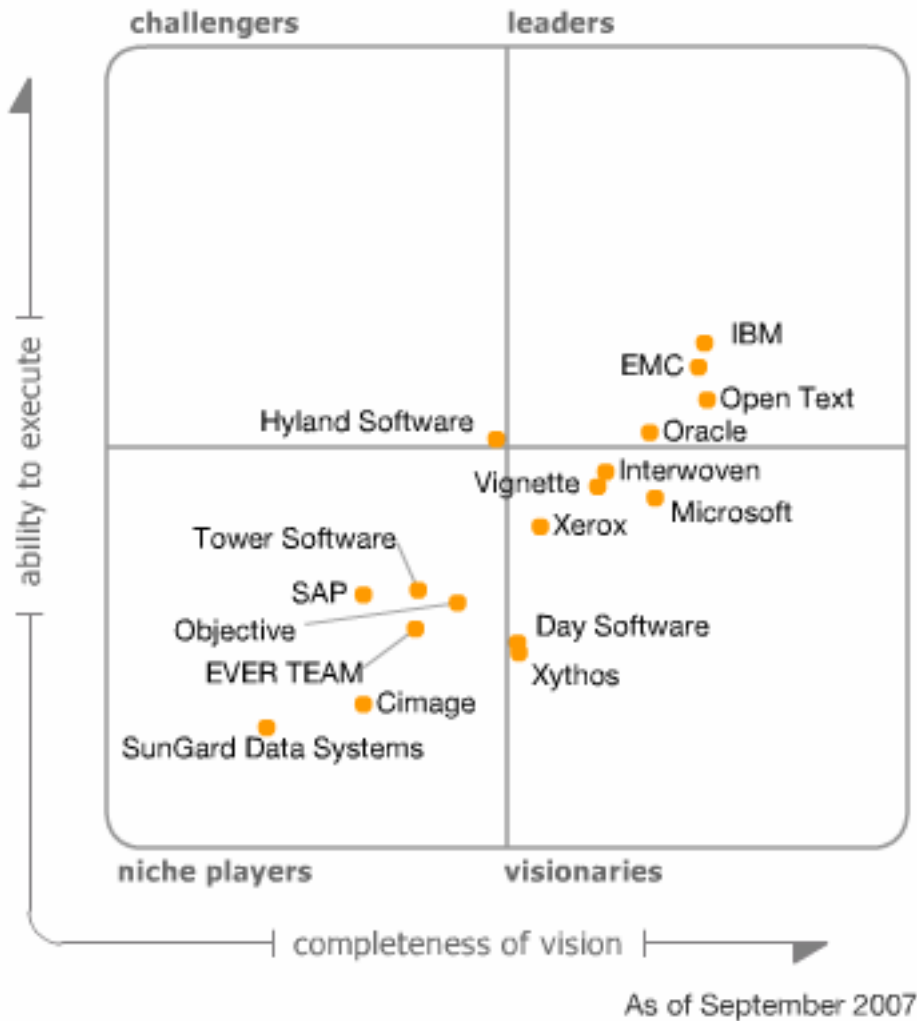
WHAT YOU NEED TO KNOW

Content management is a critical technology that helps organizations manage important documents and other unstructured information. Content management vendors address a spectrum of user needs and offer a range of functionality, with some focusing on process-centric applications and others on basic content services.

MAGIC QUADRANT

This Magic Quadrant represents the enterprise content management market at a snapshot 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.

Figure 1. Magic Quadrant for Enterprise Content Management, 2007



Source: Gartner (September 2007)

Market Overview

Enterprise content management (ECM) is an "umbrella term" and represents a vision and framework for integrating a broad range of content management technologies and content formats. According to Gartner, the ECM market is worth approximately \$2.9 billion in 2007, based on worldwide total software revenue. Gartner predicts that total software revenue from the worldwide ECM market will grow at a compound annual rate of 12.9% through 2011. This represents a healthy market, but it is also one that is undergoing transformation, driven by Microsoft's commoditization of some content management components (such as library services and document-centric collaboration) and a shift toward larger infrastructure vendors as the leading players. Basic content services (BCS) — see Note 1 — will be the leading platform of choice, complemented by content-enabled vertical solutions for the more complex applications. Additional functionality extensions for BCS solutions will broaden its market appeal.

Impact of Ongoing Consolidation and Commoditization

The increased focus of infrastructure vendors, especially Microsoft, on content management has led to consolidation in the ECM market, where only three or four significant vendors are left for consideration for enterprisewide deployments. The most recent spate of acquisitions occurred in 2006, when IBM bought FileNet, Open Text bought Hummingbird and Oracle acquired Stellent. The shift toward larger infrastructure vendors — with IBM, Oracle and EMC competing at the high end and Microsoft commoditizing the market at the low end — ultimately means fewer choices for end users and less opportunity for innovation. These market dynamics are making it more difficult for pure-play vendors and vertical specialists to compete and survive. The bright spot for the pure-play vendors and vertical specialists is the midmarket and the move toward content-enabled vertical applications (CEVAs).

Acquisitions have had an impact on the go-to-market strategies of some leading content management vendors. Planners and IT architects need to understand the ramifications that major acquisitions will have on the vendors, especially when their chosen vendors are involved. These acquisitions will ultimately lead to product portfolio rationalization and possible end-of-life or potential architectural shifts for specific products. User organizations will likely face disruptions and increased costs caused by migration.

Another major drawback of the shift toward larger infrastructure vendors is a lack of differentiation from a functional perspective and from the marketing messages. Three of the market leaders — EMC, IBM and Oracle — are all going to market with similar messages around archiving, e-discovery and compliance. They are more reactive than proactive. As market leaders, they can, and should, be driving change in the market and forcing others to react. Content management is about more than just repositories. 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. Since most content is created and used by groups, collaboration is a key part of the content picture, and many collaboration technologies that got their start in the consumer realm have real business utility, such as instant messaging and presence, blogs and wikis, and other forms of social-interaction software. On the desktop, Web 2.0 browser technologies like Ajax can overcome the limitations of HTML to provide rich Internet applications without the need for proprietary clients, while really simple syndication (RSS) can push links, alerts and content to users to overcome e-mail overload. XML is becoming increasingly important for content creation, component management, output and integration with other applications.

Content Management Represents a Spectrum of Needs

Content management really constitutes a spectrum of capabilities, with BCS at one end for basic and horizontal capabilities and full ECM at the other for process-centric applications. Most enterprises will find that the dominant strategy around ECM consists of a two-pronged approach. Enterprises that need high scalability and robust functionality will certainly require an ECM suite. At the same time, BCS (or content management for the masses) will suffice for most workgroup-oriented document collaboration. For organizations, BCS can offer a way to ease into content management at an initially lower price point. BCS has the potential to spur market expansion — that is, to create demand at the higher end for the ECM suites by fostering more content under management, more opportunities to create content value hierarchies, more content reuse and the need for more content federation. But as BCS offerings mature, they will present a significant challenge to well-established ECM technology providers. ECM suite vendors are moving quickly to differentiate themselves from BCS providers and stack players by developing horizontal and vertical solutions. Many traditional ECM suite vendors are already beginning to embrace and extend BCS tools, especially Windows SharePoint Services, with some ceding the commodity

components to the infrastructure players and focusing on higher-value content applications instead.

Content-Enabled Vertical Applications

Gartner believes that CEVAs and line-of-business offerings are the future for most traditional ECM vendors. CEVAs are used when business processes are driven by documents, forms and other content (applying for a mortgage is one example). Although enterprises have asked for this for years, and vendors have responded with standard products and lots of professional services, a transformation has occurred with more demand and focus being placed on repeatable solutions. When well-thought-out policies, information architecture and process management are put in place beforehand, CEVAs can deliver process improvements not only in terms of speed but also in terms of accountability and rigor.

Moving Toward Enterprise Information Management

Content technologies are steadily gaining more capabilities to integrate with, or handle some aspects of, structured data, as well as document-centric data. Gartner's vision for the evolutionary path of these technologies is called enterprise information management (EIM). IBM, Microsoft and Oracle have strong opportunities, as database vendors, to bring these two worlds together. 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. 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.

Market Definition/Description

ECM has emerged after years of market consolidation. It is a strategic framework and technical architecture that supports all content types and formats over the entire content life cycle. ECM suites consist of applications that interoperate, but that can be used and sold separately. 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 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 automating the Webmaster function and managing dynamic content and user interaction.
- **Document-Centric Collaboration** for document sharing and supporting project teams.

Inclusion and Exclusion Criteria

The Magic Quadrant for Enterprise Content Management, 2007 focuses only on commercial software developers/providers; it does not include open source software-as-a-service (SaaS) offerings or hosted solutions providers, as these alternatives to on-premises software remain

immature and have limited adoption. SaaS/hosted ECM currently represents only about 2% to 3% of the total software revenue of the ECM market. In addition, most SaaS or hosted content management solutions focus on departmental, rather than enterprise, deployments. To be included in this Magic Quadrant, a vendor must meet Gartner's criteria for revenue, geographic presence, functional capabilities and referenceability. Specifically, the vendor must have at least \$10 million in total content management software (licenses, updates and maintenance) revenue. It must also actively market its products in at least two major regions (for example, North America and EMEA, or Asia/Pacific and Latin America). The vendor must have the ECM software commercially available and have active references that are using the product in production scenarios.

Lastly, to be included in this Magic Quadrant the vendor must have a content management suite that addresses the following core components. The vendors should have all these capabilities and should have all the components integrated — at least four must be native; other components could be supplied through partners. To be considered for placement in the Leaders quadrant, the vendor must provide all six components natively.

- Core document library services (check-in/check-out, version control, document-level security). Advanced capabilities, such as compound document support and content replication, score higher than the minimal library services.
- Document imaging repository capabilities. Document imaging consists of two components. The document capture portion can be carried out via native capabilities or else met with a formal partnership with a third-party solution, such as Kofax, EMC Captiva or Datacap. But the vendor must also be able to handle images of scanned documents in the repository as just another file type in a folder, and it must be able to store, retrieve and route them.
- Records management — the minimal requirement is the ability to enforce retention of critical business documents based on a records retention schedule. Higher ratings are given for certified compliance with the DoD 5015.2 standard.
- 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 (WCM) — the minimal 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.

Optional Components

Part of our assessment involves looking at how well each vendor understands evolving requirements and market trends. Electronic forms (e-forms) and digital asset management (DAM) continue to grow in importance, and digital rights management (DRM) is becoming more important as an additional layer of content security. As part of this assessment, we look at the vendor's road map for addressing these optional components as well as integrated document archive and retrieval system (IDARS) and e-mail management/archiving.

Added

No new vendors were added to this year's Magic Quadrant.

Dropped

Stellent was acquired by Oracle at the end of 2006 and is no longer rated as a separate entity.

Evaluation Criteria

Ability to Execute

The ability to execute measures how well a vendor sells and supports its ECM products and services on a global basis. In addition to rating products' capabilities, we evaluated the vendors' 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	high
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 the company 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. However, 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 leverages 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 their ability to execute and completeness of vision. They're currently 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 can deliver a comprehensive ECM suite by having all six core components and proven enterprise scalability. Greater emphasis was given this year to suite integration (for example, a common user interface, common code base and single repository); demonstrated enterprise deployments; integration with other business applications and content repositories; and a vertical process/solutions focus. As a result, there are four leaders in this year's Magic Quadrant.

Challengers

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

Visionaries

Visionaries may own 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 alternate delivery models, but they have a lower ability to execute than Leaders. They are building market presence and focus more on horizontal applications than targeted vertical solutions.

Niche Players

Niche Players focus on specific areas of ECM technology (such as document management, WCM or records management), but not on the entire suite. This category may also include vendors that are still ramping up their overall ECM efforts and 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, but do not compete effectively in the broader market.

Vendor Strengths and Cautions

Cimage

Strengths

- A Sword Group company, Cimage has long been a vertical content specialist, focusing its development predominately on the application requirements of the oil and gas, engineering, and power and construction industries. Its deep domain expertise in these areas makes it an attractive choice for companies in these industries.
- Cimage's Fusion is a Web-based ECM application that can be delivered with its own repository or leverage third-party repositories. It integrates with both EMC Documentum and Microsoft SharePoint via connectors to provide value-added services. Cimage also delivers a Fusion application — Fusion for IBM FileNet P8 — that leverages the IBM content infrastructure.

Cautions

- Cimage's strength as a vertical specialist can also be a caution for some organizations, as it is typically not seen in broader ECM applications. Organizations selecting Cimage Fusion may find it unable to extend beyond its core engineering applications.
- Cimage addresses only some of the core ECM capabilities in its application. Fusion depends on its integration with Microsoft SharePoint for collaboration, and WCM is dependent on third-party partnerships.

Day Software

Strengths

- Day Software is a technical visionary, leading the 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 Communique product is a sophisticated WCM platform utilizing a virtual repository, which is also "OEMed" to other ECM vendors. It includes digital asset management and limited portal functionality, which gives it powerful Web content deployment and personalization features, which 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 the business buyer. It faces substantial challenges given its limited resources and market presence.
- The Communique product suite lacks records management capabilities and offers basic functionality for document management and workflow.

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.
- EMC continues to add to its business through acquisitions, and recent ones have boosted its content security, process management and component management capabilities. The X-Hive acquisition provides EMC with the technology to extend the Documentum platform's XML capabilities.

Cautions

- EMC's Documentum offering, while rich in functionality, has also been costly and complex to implement. EMC is addressing some of these challenges with its

Documentum 6 product, which offers enhanced configuration and integration functionality.

- EMC's business process management (BPM) capabilities, though evolving, have not yet achieved the market penetration seen with BPM products from key competitors, especially IBM/FileNet. And its WCM capabilities, though significantly enhanced in 2006, still do not rival those of the WCM specialists and leaders.
- EMC's focus on storage management software/hardware and information life cycle management (ILM) has led to less focus and attention on Documentum, and limited strategic investments in the platform over the past year.

EVER TEAM

Strengths

- EVER TEAM is a European vendor, especially strong in France and Spain, with a focus on the government, education, insurance and utilities markets.
- The 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.

Cautions

- EVER TEAM currently has limited visibility outside of Europe and the Middle East (expansion in the U.K. and the U.S. is planned for 2008) and relies heavily on its professional services business, which currently accounts for 47% of its total revenue, while software licenses (excluding maintenance revenue) represent 27%.
- EVER TEAM's continued viability as an independent player in a market shifting toward infrastructure vendors is uncertain.

Hyland Software

Strengths

- Hyland Software has been one of the more successful of the midtier ECM vendors, with a compound annual growth rate that outpaces that of the overall ECM market. This success has largely been due to its strength in document imaging and workflow, as well as a deep focus on vertical solutions (such as medical records and accounts payable [AP] invoice processing).
- Hyland has a loyal and satisfied customer base, mainly in the midmarket segment, but has proven its ability to scale to larger implementations.
- With the growing interest in Microsoft Windows SharePoint Services for basic content services, Hyland's Microsoft-centric architecture will stand it in good stead as a value-added partner.

Cautions

- Despite its good growth and track record, Hyland remains a midtier vendor competing increasingly against larger infrastructure players. Market dynamics, including consolidation, the impact of Microsoft SharePoint for basic content management in both

small and large organizations, and increasing competition from Oracle for enterprise resource planning (ERP) integration makes Hyland's continued viability a concern.

- Hyland needs 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 federal government agencies.

IBM

Strengths

- IBM's acquisition of FileNet makes it the largest ECM vendor based on overall software revenue. This market footprint, along with the product sets and resources, positions IBM well for large enterprisewide deployments.
- IBM has an extensive partner service channel, and this has increased significantly with the inclusion of the 200+ FileNet partners who deliver more than 150 CEVAs. This is in addition to its IBM Global Services to support ECM implementations.
- IBM has a leading position in key vertical markets including its traditional markets for financial services, insurance, banking and government. This is driven by its product strengths in high-volume imaging and content-centric BPM applications.

Cautions

- IBM will require 12 to 18 months to complete its published product road map for its DB2 Content Manager and FileNet P8 product suites. Customers will need to carefully monitor and assess these developments before making long-term investments in its content management products.
- Though it offers the full breadth of ECM functionality, some functional capabilities (such as WCM) lag behind its competitors, and some products are developed in different IBM organizations, leading to an ECM suite that is loosely coupled rather than well-integrated. IBM's core WCM capabilities are included as part of its WebSphere platform, while it has multiple offerings for document-centric collaboration, with the main one coming from the Lotus Software division.
- IBM has the potential for leadership in the EIM market, and with more socially-oriented collaborative content, but it lacks a cohesive marketing message across the product divisions and brands. Thus, IBM risks being perceived as being more intent on preserving the status quo than on driving market change and innovation.

Interwoven

Strengths

- Interwoven has emerged with a strong message around Web analytics, CEVAs and innovative Web-based applications that leverage TeamSite and MediaBin.
- Interwoven has a loyal and satisfied customer base for its products, especially for TeamSite, its industry-leading WCM offering, and WorkSite, a leading document management product for legal and professional services firms.

- Over the past few years, Interwoven has continued to improve its financial performance, largely because of its solutions focus.

Cautions

- Market dynamics, including consolidation, the impact of Microsoft Windows SharePoint Services for collaborative document management, and increasing competition from larger infrastructure vendors places Interwoven's continued status as a pure-play content management and applications vendor under threat.
- Interwoven's new chief executive officer (CEO) and its management team must prove that the company is committed to growing the firm and executing on its strategy of building out and delivering content management solutions.

Microsoft

Strengths

- Microsoft's vision of bringing content management to the masses has been a key factor in the overall ECM market transformation, driving traditional vendors deeper into vertical applications.
- With Office SharePoint Server, Microsoft provides a well-integrated product suite built on the Microsoft stack.
- One of SharePoint's major advantages is its ease of access. Windows SharePoint Services (WSS) is available to anyone with a Windows Server Client Access License (CAL). Therefore, employees do not have to go through the burdensome process of building a case for any return on investment (ROI) to get budget for a content management application.

Cautions

- Microsoft Office SharePoint Server (MOSS) 2007 has not yet proven itself as a strong records management tool or WCM solution, or as a platform for building CEVAs.
- Initial feedback regarding larger, decentralized deployments of MOSS 2007 indicate room for improvement in scalability and in management and replication functionality.
- Microsoft still needs to address functional gaps — including compound documents and archiving — as well as its limited workflow capabilities in transaction-focused applications, in order to move up the ECM spectrum.

Objective

Strengths

- Objective, an Australian-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

- Objective has chosen to limit its geographic presence to Asia/Pacific and Europe in order to better focus its limited resources.
- Historically, Objective has delivered most of the professional services itself rather than through partners. Recently, it has begun to establish relationships with major system integrators, but needs to further expand and build out this partner channel.

Open Text

Strengths

- As the largest pure-play ECM vendor, Open Text has a strong product portfolio, including a leading Windows-based WCM product and the Artesia DAM offering, as well as a strong focus on this market. Since content management is its sole business, it is driven to succeed.
- The Hummingbird acquisition in 2006 gave Open Text a leading position in the legal market. Other vertical strengths include government, financial services, and oil and gas.
- Open Text has developed a good "ecosystem" with key software infrastructure vendors including SAP and Microsoft. Open Text provides good integration with these infrastructure platforms and 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 needs to rationalize the multiple and redundant products so it can better concentrate its R&D resources. Through its acquisitions, Open Text has many overlapping products and will need to streamline its product portfolio.
- The firm must build out its services channel to include the larger system integrators and implementation partners.
- Open Text's continued status as an independent content management player in a market shifting toward infrastructure vendors is uncertain.

Oracle

Strengths

- Oracle is one of the three platform-based content management vendors. It provides content management capabilities for organizations that have standardized on an Oracle infrastructure.
- The size and depth of Oracle's sales force, development and support organizations brings much to the table.
- 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 business intelligence and enterprise search.

Cautions

- Oracle has been challenged in the content management market with its own past products. Though the Stellent acquisition gave it a leading ECM product, Oracle still has to prove that it has the focus and execution to successfully compete with the well-established vendors in this market.
- Oracle has announced its vision and road map, but must now deliver on rationalizing its own Content Database, and the former Stellent Universal Content Management, and Image and Process Management products.
- Questions remain around the extent of support for other platforms outside of the Oracle infrastructure (for example, DB2 and SAP).

SAP

Strengths

- In the content management market, SAP is an infrastructure vendor that delivers basic content services as part of its application stack.
- SAP has a good partner ecosystem with EMC and Open Text, among others, to extend its content management capabilities.

Cautions

- SAP has not demonstrated any intent to deliver a full ECM suite. It has relied on its third-party partners, like Open Text and EMC, for key functionality such as the underlying content store and archiving.
- Clients perceive SAP to be an ECM vendor, yet outside of NetWeaver and SAP PLM DMS, the company has limited vision and commitment to ECM. It is not really a contender for broad content management deployments relative to other ECM vendors.

SunGard Data Systems

Strengths

- SunGard EXP, a subsidiary of SunGard Data Systems, (see Note 2) is a vertical market specialist in CEVA for financial services, insurance, healthcare and higher education, competing against vendors such as Perceptive Software, Hyland and DST in the mid-to-upper market.
- Its EXP suite's strengths 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.

Tower Software

Strengths

- Tower Software is an Australian visionary when it comes to electronic records management.
- Tower's TRIM product is widely used for government records management, and has begun penetrating the energy and utilities sectors, as well as the pharmaceuticals market.

Cautions

- Tower has a modest presence outside of Australia and its continued status as an independent player in a market shifting toward infrastructure vendors is uncertain.
- Tower has limited presence outside of the public sector.

Vignette

Strengths

- Vignette has a strong platform for customer engagement — including both WCM and portal functionality — that provides a good foundation for developers. Its Web-focused range of solutions has been extended to include a digital services hub strategy, which may help its positioning in the microcontent commerce market for telcos, media and entertainment clients.
- Vignette has proven scalability and is the foundation for many high-volume, transaction-based sites.
- Vignette's imaging and workflow functionality is robust and worth investigation, though few vertical solutions have been delivered directly or through partners.

Cautions

- Vignette's WCM application complexity and lack of business-user-friendly templates and design tools has been a drawback for some organizations.
- Lack of strategic investment in marketing, partnerships and solutions delivery seems to be affecting Vignette's financial performance.
- Market dynamics, including consolidation, the impact of Microsoft SharePoint for collaborative document management, and increasing competition from larger infrastructure vendors makes Vignette's continued viability as a pure-play content management vendor uncertain.

Xerox

Strengths

- With its roots in Web-based, collaborative document management, Xerox's DocuShare product represents a proven alternative to Microsoft SharePoint, and has grown significantly during the past decade in terms of functionality, acceptance and installed base.

- The addition of DocuShare CPX provides increased functionality and scalability. With CPX, Xerox moves beyond its basic content services focus to deliver both BCS and ECM in a single platform.
- While Xerox's DocuShare has had some large enterprisewide deployments, its strength still lies with midsize organizations that are looking for a moderate-cost BCS solution that leverages its Xerox relationship and equipment infrastructure.

Cautions

- Xerox has moved DocuShare into its Xerox Global Services organization. It must continue to enhance the platform and functionality over time, which may be more challenging than being 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.
- In order for DocuShare to survive and have a compelling value proposition in the face of SharePoint, Xerox must commit to the product with marketing and development resources for CEVAs, and it must further build out its system integrator partner channel.

Xythos

Strengths

- Xythos has long focused on providing standards-based technology, leveraging WebDAV to provide flexible access to content anywhere.
- The Xythos Web File Server is a Java-based, basic content services alternative to SharePoint with proven ability to scale.
- Xythos has a loyal and satisfied customer base for both its on-premises and SaaS offerings.

Cautions

- With the market shifting toward software infrastructure vendors, Xythos' long-term future as an independent BCS player is uncertain.
- In order to differentiate itself and offer a clear value proposition in the face of competition from SharePoint, Xythos must either go deeper into its dominant vertical (higher education) with packaged solutions or expand its market focus.
- The firm has limited market presence outside of North America and Japan.

RECOMMENDED READING

"Key Issues for Enterprise Content Management, 2007"

"Changes Are Ahead for ECM Vendors"

"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

BCS	basic content services
BPM	business process management
DAM	digital asset management
ECM	enterprise content management
EMEA	Europe, the Middle East and Africa
IDARS	integrated document archive and retrieval system
Java EE	Java Platform, Enterprise Edition
OEM	original equipment manufacturer
SI	system integrator
SMB	small and midsize business
TCM	total content management
WCM	Web content management
WSS	Windows SharePoint Services

Note 1

Basic Content Service

This can be differentiated from ECM as follows:

- **Cost** is the most distinct characteristic of a BCS product. Software licensing 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 BCS products in terms of breadth and depth. These products include some of the basic functions of ECM product suites. However, the capabilities are strong in some areas and weak in others.
- **Scalability** is just as important for a BCS product as for a traditional ECM product suite. BCS 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** is prevalent across a variety of client applications. Other business applications and process management tools are necessary components of BCS.

Note 2

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

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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 appearing 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. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or 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, etc., 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 to continue investing in the product, to continue offering the product and 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 the 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, etc.

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 vehicles 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 the Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that 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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