

Magic Quadrant for Enterprise Content Management

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Uptake of ECM offerings remains strong as organizations harness content to drive key business applications. Process-centric solutions, social content management and integration are factors differentiating the 22 vendors assessed here. Global adoption of ECM continues to rise.

Market Overview

ECM continues to demonstrate value and growth, with total software revenue increasing 11.1% annually to \$4.3 billion in 2011. Many enterprises are moving well beyond the basic uses of ECM (such as secure file storage in organized libraries), to tackle deeper business requirements that need strong process efficiency as well. This has led organizations to increasingly regard ECM as an environment for solutions that fit their business needs. Gartner refers to these applications as CCAs and we expect these solutions to be one of the key drivers of continued growth in the ECM market due to demand for CCAs of many types.

In addition to this focus on the solutions, we see more ECM vendors also offering a lightweight cloud-based environment to address emerging market needs and possibly to prevent their client base from exploring the popular cloud-based file sharing environments, which only offer a fraction of the full functionality of ECM. Some of the vendors that offer this added capability include EMC (which purchased Syncplicity), Oracle (which offers Oracle Social Network) and OpenText (which has introduced Tempo). What's interesting about these types of tools is they are appealing to the new generation of users that like to collaborate and synchronize files from their mobile devices. This is helping the broader ECM market evolve, as successful efforts will end up justifying additional R&D spend. This area of technology may even become a common feature in ECM systems over the next few years. As ECM begins to see increased usage on mobile devices, we expect to see it getting a generational make-over

Magic Quadrant

Figure 1. Magic Quadrant for Enterprise Content Management



Source: Gartner (October 2012)

Vendor Strengths and Cautions

EMC

EMC has implemented strategies to focus on improving the user experience, industry solutions and cloud content management. Its acquisition of Syncplicity in May 2012 provides it with content-sharing and governance across mobile devices. EMC OnDemand is a key platform for content management in the cloud as EMC strives to drive customer adoption. Documentum D2 is a new product to improve the user experience of, and make it easier to deploy, Documentum. EMC's evolving strategy for ECM may help address its key market challenges.

Website: www.emc.com

Strengths

- EMC has refocused on its strengths in life sciences and utilities with new industry solutions such as Documentum Quality & Manufacturing Solution for Life Sciences and Documentum EPFM. Documentum has been a key content management platform for supporting mission-critical processes, such as the creation of technical publications, and engineering drawing management applications.
- EMC has placed strong emphasis on cloud content management, with Documentum, Captiva and Document Sciences products, Documentum D2, and the two life sciences solutions mentioned above ported to the cloud. EMC OnDemand provides for cost-effective and rapid infrastructure provisioning of EMC applications in the cloud.
- EMC's content management stack is a strong set of complementary products, able to manage the whole content life cycle better than most of its competitors. Its strengths are capture, core repository, process management, archive and records management, and document composition capabilities — all of which are essential for transactional content management solutions.

Cautions

- EMC still has challenges with leveraging its market strength in the storage hardware business to drive content management sales. While EMC has made significant investments in its content management business, it must do better to communicate and sell customers on its future.
- Gartner continues to see erosion of the Documentum business due to the high costs and complexities, combined with an increasingly competitive market. EMC needs to further build its sales channels and marketing to regain stronger momentum in the market.
- EMC's changing strategy on social content management with CenterStage and eRoom have left some customers disenchanted, resulting in a shift to SharePoint for collaboration. Its collaboration strategy based on its planned integration of D2 with Syncplicity is still emerging and unproven.

IBM

IBM, the largest ECM vendor in terms of market share and total content revenue, is increasingly focused on high-value solutions (see "Market Share Analysis: Enterprise Content Management Software, Worldwide, 2011"). IBM is successfully leveraging its position as an infrastructure vendor with a broad software and hardware stack, a deep partner channel and a global footprint. In the field of ECM, IBM primarily targets transactional and social content management use cases.

Website: www.ibm.com

Strengths

- IBM's ECM products have a good history of scaling to meet the needs of large enterprises.
- IBM has solutions that incorporate analytical, social, process management and content management capabilities to solve business problems. These content-centric solutions tie into IBM's broader initiatives relating to its Smarter Planet (Smarter Cities, Smarter Commerce and so on) and Social Business themes.
- IBM has made considerable progress in integrating ECM and social software by bundling its content repositories (FileNet CM and CM8) and Connections. It could further drive integration with its Web content management offerings and build out its digital asset management story.

Cautions

- IBM's product portfolio is complex, as is deployment of its software. Frameworks like case management and a new common UI, the recently launched Content Navigator, should help mitigate this complexity.

- IBM faces a challenge to scale down its current offerings to meet the needs of midsize and smaller enterprises, where there is a clear growth opportunity. These midsize and smaller organizations will be challenged to gain the interest of IBM, which also limits new revenue opportunities for IBM, particularly in emerging geographies.
- In the content management market, IBM lacks a robust cloud strategy. Gartner does expect demand for cloud ECM offerings to grow. Microsoft and others are targeting midmarket adopters of cloud solutions.

Microsoft

Microsoft SharePoint 2010 has been a strong platform, which has been widely adopted. Over half the inquiries Gartner receives about ECM include discussion of SharePoint, and one-third of our clients have SharePoint at the core of their ECM strategy. However, users often have to add third-party products to SharePoint to achieve their goals. Furthermore, global enterprises have often found it a complex task to make SharePoint work effectively across a broad geographic area, and ease of general administration and overall usability are growing causes for concern.

Website: www.sharepoint.microsoft.com

Strengths

- Microsoft's position as a "stack" vendor with strong appeal to end users has helped SharePoint attract a large ecosystem. Many third-party software vendors offer extensions for SharePoint, and system integrators are generating big business from deployments and customizations.
- SharePoint 2010 continues to be used for multiple use case deployments, somewhat larger in scale than the departmental deployments seen with the 2007 release.
- With little competition as a multifaceted information-sharing and collaboration platform, SharePoint has a strong place in many enterprise environments.

Cautions

- A recurring set of concerns cited by users is that they expected more native functionality in areas like administration, backup and recovery, workflow, WCM, replication, mobile support and broad usability. Some of these concerns may be partly mitigated in the upcoming release of SharePoint 2013, expected to be generally available in 1H13.
- Migration from earlier versions to SharePoint 2010 continues to be challenging for many, especially in the case of customized implementations, even though Microsoft and several partners offer migration tools.
- Gartner expected Microsoft to build a stronger application ecosystem around SharePoint than has occurred. Users would like to see more applications and solutions available than currently are, and they would like to have Microsoft review the solution marketplace for quality. Microsoft is pursuing a new cloud application model, which might improve this situation.

OpenText

OpenText is continuing its acquisition-centric growth strategy of making technology purchases to expand its capabilities with the May 2012 acquisition of EasyLink, a cloud provider of messaging services. OpenText's ECM Suite provides a complete set of content management technologies and solutions to manage the entire life cycle of content. OpenText's strategic relationships and interoperability with SAP and Microsoft's are key to its future success.

Website: www.opentext.com

Strengths

- OpenText has one of the broadest ECM product portfolios as a result of its acquisition strategy. This includes the potential for significant cloud content management deployments, leveraging its May 2012 acquisition of EasyLink, a cloud messaging environment.
- OpenText's reseller partner agreement with SAP gives it a competitive advantage when it comes to seizing opportunities with SAP customers, particularly for deals involving imaging, archiving, and document and records management. SAP also provides an extensive sales channel for OpenText.
- OpenText is adding more composite content applications leveraging its MetaStorm and Global360 BPM products, in addition to other composite content applications it already offers on its traditional ECM platform.

Cautions

- Some of OpenText's customers have continued to voice concerns over migration paths, support issues and only modest product enhancements, as well as the complexity of its portfolio of offerings — many of which have come through acquisitions. Also, customers may find the company's shift in messaging toward enterprise information management confusing.
- OpenText's sales of new software licenses have slowed as a percentage of overall revenue, which may imply a decline in organic growth for the company.
- Many of OpenText's customers are adopting Microsoft SharePoint, and some are discussing with Gartner the idea of designating OpenText as the regulatory back-end content repository.

Oracle

Through a mixture of native development and acquisitions, Oracle has brought content management together with portal, Web and collaboration capabilities within its Oracle WebCenter strategy and platform. Oracle WebCenter Content subsumes Oracle Enterprise Content Management Suite 11g, which continues to expand its footprint in the ECM market. Oracle's strong global sales presence and broad technology stack make it a Leader.

Website: www.oracle.com

Strengths

- Integration of Oracle WebCenter with Oracle's software stack — including the rest of the WebCenter portfolio and out-of-box integrations with Oracle E-Business Suite, PeopleSoft, Siebel and Oracle Fusion Applications — can provide substantial benefits to Oracle customers, much as Microsoft SharePoint provides value through integration with Office and Outlook.
- The size and capabilities of Oracle's sales force, product development and support organizations provide it with significant opportunities to continue growing its content management business and increase its market share.
- Oracle has growing visibility in the ECM market. It also has a strong presence in the adjacent portal market, which can help clients wanting a range of user-facing information tools.

Cautions

- WebCenter Sites — the WCM technology gained from the Fatwire acquisition — is now a separate offering, with the result that the overall WCM and ECM product offerings are more distinct than in the past. This leads to a more complex deployment if a customer needs both strong ECM and strong WCM. Oracle is working on stronger integration of these products.
- Oracle has a weak focus on interoperability with other content management platforms, which may present challenges to companies that wish to build solutions that also incorporate other vendors' ECM platforms.
- Oracle's application strategy is not as strong as most other ECM leaders, as it has few ECM-based vertical solutions or applications to offer today. Enterprises wanting more CCA approaches may want to consider other vendors.

Market Definition/Description

Enterprise content management (ECM) can be viewed both as a strategic approach to managing information and as a software toolset:

- As a strategic approach, ECM can help enterprises take control of their content and, in so doing, boost effectiveness, encourage collaboration and make information easier to share.
- As a software toolset, ECM consists of a set of capabilities and/or applications for content life cycle management that interoperate, but that can also be sold and used separately.

The core components of an ECM suite are as follows:

- **Document management** core capabilities include check-in/check-out, version control, security and library services for business documents. Advanced capabilities such as compound document support and content replication score more highly than do basic library services.
- **Image-processing applications** for capturing, transforming and managing images of paper documents. For this component we require a vendor to offer two things: (1) document capture (scanning hardware and software, optical and intelligent character recognition technologies, and form-processing technology) performed either using native capabilities or through a formal partnership with a third-party solution provider such as KnowledgeLake, Kofax, EMC (Captiva) or IBM (Datacap); (2) the ability to store images of scanned documents in the repository as "just another" content type in a folder, and to route them through an electronic process. Extra credit is given for vertical or horizontal solutions delivered directly or through partners.

- **Workflow/business process management (BPM)** for supporting business processes, routing content, assigning work tasks and states, and creating audit trails. The minimum requirement is simple document review and approval workflow. Higher scores are given to vendors with graphical process builders, and both serial and parallel routing. Many vendors are drawing on stronger process capabilities to deliver frameworks or templates as composite content applications (CCAs).
- **Records management** for long-term retention of content through automation and policies, ensuring legal, regulatory and industry compliance. 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), the Victorian Electronic Records Strategy (VERS) and Model Requirements for the Management of Electronic Records (MoReq2).
- **Web content management (WCM)** for controlling the content and influencing the interactions of a Web experience through the use of specific management tools based on a core repository. This 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. The minimum requirement is a formal partnership with a WCM provider. Native capabilities score more highly than partnerships. The relative complexities of provisioning content to users across intranet, extranet and Internet applications are also considered, as are the implications of analytics, social content and delivery models. Several ECM vendors qualify for independent analysis of their WCM functionality (see "Magic Quadrant for Web Content Management").
- **Social content** for document sharing, collaboration and knowledge management, and for supporting project teams. Blogs, wikis and support for other online interactions have been added. Social content — including video — is the fastest-growing category of new content in the enterprise. The name of this component has been changed from "document collaboration" to "social content" to reflect broader audience and content types.
- **Extended components** can include one or more of the following: digital asset management (DAM), document composition, e-forms, search, content and analytics, email and information archiving, email management and packaged application integration. These components are weighted as follows in this Magic Quadrant:
 - * Document management: 15%
 - * Image-processing applications: 18%
 - * Workflow/BPM: 22%
 - * Records management: 13%
 - * WCM: 7%
 - * Social content: 15%
 - * Extended components: 10%