Enterprise Content Management Tools
METAspectrum℠ Evaluation

Performance vs. Presence Chart

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Market Definition
The enterprise content management (ECM) market comprises vendors supplying software that enables organizations to create/capture, manage/secure, store/retain/destroy, publish/distribute, search, personalize, and present/view/print any digital content (e.g., pictures/images, text, reports, video, audio, transactional data, catalog, code). These systems focus primarily on the capture, storage, retrieval, and dissemination of digital files for enterprise use and their life-cycle management. ECM systems are generally tactical and non-discretionary expenditures, but they are increasingly being viewed as strategic core investments as organizations deal with accelerating business velocities, consolidation of redundant content management systems, exponential growth of content, and compliance issues (mandated or perceived). Moreover, these systems are becoming more infrastructure than application like.

Market Forecast
The ECM market will reach $2.3B in software and $7B in services by 2007, representing a compound annual growth rate of 15%. We expect many vendors to adopt the mantle of “enterprise content management” during the next 12 months (and have already witnessed this happening). This will leave a smaller group of vertically oriented or traditional image/COLD/workflow vendors, or those selling specific components of that functional set. Although this is a growing market, vendors will continue to consolidate through 2005 due to continued acquisitions. We estimate that by 2006, approximately 60% of G2000 organizations will standardize on a strategic ECM framework, though many will maintain existing investments in tactical or line-of-business content deployments. These Web services-based content services will be consolidated around a discrete set of trusted vendors, and will be leverageable via a knowledge worker infrastructure that features different composite-based applications sitting on top of a service-oriented architecture. There will also be increasing overlap with relational database and enterprise storage.

During the preparation of this ECM METAspectrum, several major acquisitions were announced, including EMC’s acquisition of Documentum and Open Text’s acquisitions of both Gauss and IXOS. The analysis within this METAspectrum contains evaluations and ratings based on individual vendors, and does not reflect any implications of such acquisitions. Future revisions of the ECM METAspectrum will consider mergers and acquisitions once they are approved and finalized.

Key Findings
Although technology is still a critical selection driver, gaps among vendor products are beginning to diminish and acquisitions designed to help achieve relative technology parity are increasing. Support for previously “non-traditional” content types (e.g., e-mail, digital asset management, records management) are now viewed as becoming integral to ECM, while centralized administration, integrated management and delivery interfaces, and a highly scalable product architecture have become as important as pricing and vendor viability.

With organizations seeking more strategic enterprise content solutions, as well as striving to standardize on as few strategic vendors as possible, the ability of ECM software to fully manage all enterprise content and avoid costs by consistently applying proper compliance and legal risk policies/procedures is emerging as critical. Therefore, many vendors have pursued an acquisition strategy to build out functional components previously lacking in their offerings — specifically, records management, Web content, and workflow. Although not every organization will require all content functionality in the ECM portfolio, the trend will continue, with leaders carrying momentum through build-outs and acquisitions to maintain their market position.

Although the ECM METAspectrum is weighted more toward performance criteria, excellence in the evaluation was clearly skewed on the presence axis, with leaders and top challengers dominating in breadth of functional content components (document, Web content, records, and digital asset management), installed clients, and global presence. We expect this trend to continue as the market consolidates and evolves through 2005/06.
Leaders
Leaders in the ECM market possess global presence, significant installed bases, full technology components (image, digital asset, document, Web content, and records management), deep integration capabilities, robust channels/partners, and the ability to support high-volume, strategic, and enterprise deployments. Long-term vendor viability is playing an increasingly important role, because users are seeking more content-handling capabilities from a single vendor and strategic long-term solutions. Future vision will also rise in importance.

 Challengers
Challengers in the ECM market often exhibit a strong focus on a specific technology or vertical expertise, and many are evolving to ECM from archival or image/COLD/workflow. Several have a global reach and top-tier channel partners, though many are not aggressively pursuing international markets. This segment of the ECM METAspectrum contains both traditional document management vendors and vendors evolving to ECM from static archival, Web content, and imaging/workflow. We expect several to move to a more solution-oriented selling model through 2004.

Followers
Followers generally trail due to limitations in terms of technology components or lower overall market presence. Typically, these vendors have a stronger focus in core legacy capabilities (e.g., imaging, Web content) and view ECM as secondary to their core target market. META Group advises a cautious approach to procuring ECM products and services from these vendors, because of their general lack of market leadership and longer-term viability. We note that one vendor in this category (Gauss) was acquired during the METAspectrum process.

Bottom Line
Organizations should establish appropriate weightings for various vendor evaluation criteria, with specific focus on the future strategic content-handling requirements of the enterprise. Because acquisition and consolidation in the ECM market will continue to accelerate through 2004, users should aggressively evaluate vendors’ long-term financial position, viability, and strategy.

Business Impact: Global 2000 organizations will be driven to make strategic content-handling technology investments to stay on par with current levels, due to the continuing acceleration of business, the exponential growth of varied business content, and increasing organizational compliance and legal risk requirements.