



November 9, 2007

Open Text Leads ECM Suite Pure Plays

The Forrester Wave™ Vendor Summary, Q4 2007

by **Kyle McNabb**

with Connie Moore and Diana Levitt

EXECUTIVE SUMMARY

Open Text has assembled its enterprise content management (ECM) suite through its own organic development and multiple acquisitions. The vendor boasts being the largest independent ECM suite vendor and backs it up with strong document management, imaging, content archiving, and records management technology. Add in its very good Web content management (WCM) and strong digital asset management support, and Open Text's ECM breadth and depth can't easily be matched. But Open Text's future rests in how it combines its breadth and depth together with its business process management and collaboration technology to distance itself from its larger technology platform vendors EMC, IBM, Microsoft, and Oracle.

OPEN TEXT TACKLES ARCHIVAL, RETENTION, AND BUSINESS CONTENT NEEDS

Open Text has established itself, largely through numerous acquisitions, as the largest independent ECM vendor in the market.¹ Still, Open Text trails behind both IBM and EMC in ECM market share, two vendors with product lines that are substantially broader than just ECM. The challenge for Open Text is how to build on its pure-play strength in ECM in a market that is increasingly being defined by software giants. For now, Open Text is doing that by positioning itself as a partner to both Microsoft and SAP.

Forrester evaluated Open Text's current offering and strategy for ECM suites against approximately 60 criteria (see Figure 1). Overall, Open Text Livelink ECM shows great breadth and depth, with strong scoring in core ECM capabilities — document imaging, document management, records management, and content archiving — plus good support for WCM and digital asset management. Still, the broad ECM suite offered by Open Text has numerous moving parts — largely as a result of its numerous acquisitions, as evidenced by the vendor's separate WCM product. Livelink ECM provides good business process management, enterprise search, email archiving, and collaboration technology to help make it an ECM suites Leader. This means that the product is an especially good fit for buyers who:

- **Need to tackle archival, retention, and records management needs.** Open Text's combination of core ECM capabilities, including content integration and email archiving technology make it a good choice for enterprises wanting to archive and retain their content. Open Text's created additional integration with Microsoft Office SharePoint Server to tackle the content archiving and retention needs of enterprises wanting to deploy SharePoint to their employees. And Open Text has a substantial portfolio addressing the document management and archival needs manufacturers have with their SAP implementations.

- **Want to source ECM technology from a single vendor.** Open Text Livelink ECM focuses primarily on document imaging, document management, content archiving, records management, and content integration. And through two additional product groups (RedDot and Artesia), Open Text can provide good WCM and strong digital asset management products.²
- **Need more immediate answers to pressing business content problems.** Not satisfied with simply providing a broad and deep ECM suite, Open Text invests its R&D into tackling business-content-centric applications — including corporate governance, fleet and equipment management, requisition approval, and legal contract management. Open Text has taken this a step further with its SAP and Microsoft Office integration, offering complementary solutions to the SAP and Microsoft Duet initiative with its Customer Information Management solution.³

To see how Open Text Livelink ECM stacks up against 10 other competitors, see the Forrester Wave™ evaluation of the ECM suite market.⁴

Figure 1 Open Text Livelink ECM Evaluation Overview

CURRENT OFFERING

Core ECM capability breadth	Open Text Livelink ECM has very broad and deep core ECM capabilities, limited only by its content integration technology that continues to mature but doesn't tackle full bi-directional content management scenarios yet. Open Text offers very comprehensive document management support, including numerous add-on modules of Livelink ECM to address specific document management needs such as the management of contracts and engineering documents. Open Text's document imaging technology has been widely used in Western Europe to tackle high-volume production imaging needs. Open Text offers very strong content archiving support and provides market-leading records management.
Platform readiness	Open Text Livelink ECM is based on a single platform offering a common repository architecture for the active management of content and its long-term archival. Livelink ECM provides a single workflow component and a very extensive metadata management framework.
Additional ECM capabilities	Open Text offers very good Web content management technology through its RedDot Solutions business unit. And Open Text's digital asset management product, Artesia, provides high-end support for enterprises needing to manage a broad range of rich media assets. Livelink ECM offers packaged support for XML content component management with its Enterprise Publishing module. And Open Text offers a document output management solution addressing general document output needs. Open Text also offers hosted options for its Livelink ECM technology.
Extended capabilities	Open Text provides good human-centric business process management support and email archiving with Livelink ECM. Open Text resells Cardiff LiquidOffice for e-forms support and offers a comprehensive search solution with Livelink ECM. Open Text also offers a rich collaboration environment upon Livelink ECM that includes both asynchronous and synchronous collaboration technology.
Core capability architecture	Open Text Livelink ECM is built upon a strong architecture supporting hierarchical storage management needs and deployments across multiple technology platforms. Open Text's only architecture limitation is lack of integration with leading integrated development environments (Eclipse, Microsoft Visual Studio .NET) that help application developers quickly build upon and extend the Livelink ECM platform to meet customization needs.
Miscellaneous	Open Text Livelink ECM supports technical internationalization requirements and has been localized into numerous languages. Open Text offers comprehensive training and extensive documentation in multiple languages.

Source: Forrester Research, Inc.

Figure 1 Open Text Livelink ECM Evaluation Overview (Cont.)

STRATEGY

Product strategy	Open Text's product strategy balances ECM platform needs with the content-centric needs of the market. Open Text continues to invest in Livelink ECM to help enterprises establish a content archive and retention standard while also investing in technology to help enterprises tackle transactional, business, and persuasive content needs. Open Text continues to build on its collaboration heritage to add Web 2.0 features.
Whole solution strategy	Open Text maintains strong relationships with leading systems integrators including Accenture, Deloitte, KPMG, and Atos Origin. Approximately 1,300 resources have been trained and certified to assist Livelink ECM implementations. And Open Text's ECM technology has been used by independent software vendors to build out new products.
Licensing and pricing	Open Text prices its Livelink ECM suite on a per-user basis. Annual maintenance averages 20% of net license fees.

MARKET PRESENCE

Company financials	Open Text is a mid-sized technology vendor focused on ECM. Annual revenues are more than \$500 million, and its ECM license revenue is more than \$180 million.
ECM customer base	Open Text has a substantial customer base with more than 46,000 implementations worldwide (numerous in the same enterprise but within different business units or legal entities). Open Text's customers can be primarily found in North America and Western Europe.
Geographic presence	Open Text maintains sales and support offices throughout North America and Western Europe. Open Text also maintains offices in Japan and Australia.

Source: Forrester Research, Inc.



Go online to download additional in-depth data and scores for this vendor and other vendors included in this Forrester Wave evaluation.



SUPPLEMENTAL MATERIAL

Online Resource

The underlying spreadsheet for Figure 1 is available online. The spreadsheet includes more detailed data and scores for this vendor.

This detailed data and scores for this vendor are also available online through an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and readers are encouraged to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

- ¹ Open Text acquired ECM suite vendor Hummingbird in October 2006. Prior to acquiring Hummingbird, Open Text acquired document archival vendor IXOS and digital asset management vendor Artesia in 2004. See Open Text's corporate history at http://www.opentext.com/corporate/our_history.html.
- ² Open Text's RedDot WCM product was evaluated as a Strong Performer in Forrester's Wave for WCM. See the July 16, 2007, "[RedDot Maintains Focus On Usability, Improves On Content Delivery In WCM For External Sites](#)" report.
- ³ Microsoft and SAP's Duet endeavor brings together Microsoft Office and SAP transactional systems to help ease end user pains. Open Text has plugged Livelink ECM into Duet to add additional ECM support. See the July 10, 2007, "[Duet Won't Be A One-Hit Wonder](#)" report.

- ⁴ Forrester evaluated 11 enterprise content management (ECM) suite vendors across approximately 60 criteria and found that IBM, EMC, and Oracle lead thanks to suite breadth and a focus on enterprise information management needs. Open Text leads all pure plays with a strong core suite of ECM tools. Interwoven, Hyland, and Vignette, all Strong Performers, focus more attention on supporting content-centric applications than providing an ECM platform. Microsoft, another Strong Performer, misses some important features, but it has a bright future in ECM. Finally, Contenders SAP, Xerox, and Alfresco lack breadth and depth but show promise in ECM as alternatives to ECM's four horsemen: EMC, IBM, Microsoft, and Oracle. See the November 9, 2007, "[The Forrester Wave™: Enterprise Content Management Suites, Q4 2007](#)" report.