

SWOT Assessment: OpenText ApplicationXtender 8.1 (SP1)

Analyzing the strengths, weaknesses,
opportunities, and threats

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Summary

Catalyst

Midmarket organizations are not particularly well served by enterprise content management (ECM) vendors, because most products are aimed at enterprises because the cost and complexity of these products are beyond the budgets and expertise of many smaller companies. OpenText, a vendor renowned for its enterprise ECM products, has a midmarket solution with ApplicationXtender, an ECM system that provides document management, content capture, workflow management, reports management, and full text search. It has a Microsoft-centric, standards-based architecture. Also included is a connector to allow the seamless integration of business applications, such as SAP, to ApplicationXtender, without the need for any programming.

Key messages

- ApplicationXtender offers a wide range of capabilities that will suit the requirements of many midmarket organizations and departments within enterprises.
- ApplicationXtender is easy to install, which means that nontechnical business users can install and set the product up with minimal IT support.
- Users can access documents without having to leave the line-of-business applications they are working in.
- ApplicationXtender is able to take advantage of the wider OpenText portfolio, which includes integration with LEAP Snap, an app that provides mobile capture.

Ovum view

OpenText bought ApplicationXtender as part of the acquisition of the Enterprise Content Division from Dell EMC, which also included Documentum. The product remained largely hidden within Documentum while under the ownership of Dell EMC, which never really knew what to do with it, meaning that many organizations that required a midmarket ECM solution never knew of its existence. OpenText intends to change that as it can see the potential of the product as a midmarket solution, which will allow the vendor to expand its reach into organizations that would not previously have considered products from OpenText. The challenge for OpenText will be marketing ApplicationXtender effectively to raise its market profile and get across the message that it has this little gem in its portfolio, which is also suited to departments within larger enterprises. ApplicationXtender is currently sold entirely through channel partners and via OEM deals, and OpenText is putting a great deal of emphasis into preserving and building the channel for the product and increasing the number of resellers.

Recommendations for enterprises

Why consider ApplicationXtender?

ApplicationXtender provides ECM capabilities without the complexities that are associated with many ECM systems. It is applicable across a wide range of industries and in organizations of all sizes.

However, it is particularly relevant to the requirements of midsized organizations that cannot afford the resources or the cost of high-end, complex ECM systems that include a wide range of features that will never be required. Its capture capabilities help organizations to reduce the amount of paper they need to store, and the addition of a workflow capability ensures that captured content can be routed to the appropriate people or processes. Also attractive are its certifications for Windows Server 2016, SQL Server 2016, Office 2016, and Windows 10.

SWOT analysis

Strengths

ApplicationXtender does not have the complexity of high-end ECM systems

ApplicationXtender is quick to deploy – in days rather than the months typical of a high-end system – making it ideal for midmarket organizations that do not have the resources, the budgets, or the requirements to justify the implementation of a high-end system. However, it can be configured to support complexity where it is required.

Users are able to access content from within their line-of-business applications

Users do not need to leave their line-of-business applications to access content, which means they often use ApplicationXtender functionality without ever realizing they are using an ECM product in the background, reducing or even eliminating the need for training.

ApplicationXtender includes a capture package

Seamless integration with OpenText Captiva and third-party capture products provides the capability for large-volume batch scanning as well as configurable queue processing. Indexing is included, as is output processing once the content has been captured. Additional integrations with OpenText's LEAP and OpenText Capture Center are coming in future releases.

The business process management capabilities are not lightweight

Extensive BPM capabilities allow organizations to build case management solutions that address specific tasks. OpenText ApplicationXtender Workflow Manager includes process and forms design and business analysis tools. Users are able to create processes; optimize them through analytics that include real-time alerts, 3D drill-down graphs, and process statistics; and create key performance indicators and business activity thresholds to monitor processes and measure productivity. In addition, REST APIs allow access to deep content capabilities from within other systems.

Weaknesses

ApplicationXtender has a low market profile

ApplicationXtender has always been in Documentum's shadow and in the past has not been marketed as aggressively as it needs to be if it is to grow its market share. There is a huge potential market for the product within midmarket, Microsoft-centric organizations. Unfortunately, ApplicationXtender is not currently the first product that is thought of when organizations are considering a midmarket ECM system. However, OpenText is addressing this by aggressively

repositioning the marketing messaging regarding ApplicationXtender and is finally disassociating the product from Documentum.

Being based on .NET technologies may limit its potential audience

ApplicationXtender is Microsoft-centric because it is based on .NET technology. This may limit its potential market. Although there is a huge installed Microsoft base, which provides a large potential market, it may deter department-level buyers in large enterprises, which may not be Microsoft-centric. However, OpenText plans to overcome this by supporting Docker in a future release, which will allow non-Microsoft customers to use ApplicationXtender.

Opportunities

LEAP provides a cloud-based content delivery platform for lightweight apps

LEAP is a multitenant, mobile-first cloud environment containing small mobile-first applications that contain content-centric functionality to address specific use cases, and is ideal for ApplicationXtender customers that want to add extra ECM capabilities. LEAP Snap, for web and mobile capture, is the first app to be made available for ApplicationXtender and other apps will follow, such as LEAP Courier for exchanging documents, LEAP Concert for collaborative authoring, LEAP Express for content access and approvals, LEAP Focus for responsive document viewing on mobiles, and LEAP Core for file sync and share. This will allow OpenText to derive additional revenues from customers who wish to take advantage of these add-on capabilities.

OpenText is increasing its focus on the channel partners to increase sales of ApplicationXtender

ApplicationXtender is sold entirely through the channel as well as via OEM agreements. OpenText is focusing on growing the channel for the product, and will also make it much more prominent on its website, which should help to build demand for the platform.

Microsoft is pushing SharePoint into the enterprise market

OpenText has the opportunity to replace SharePoint as the midmarket ECM product of choice as Microsoft targets enterprises with SharePoint by extending its capabilities, either directly or through partner products. OpenText is ideally positioned to provide midmarket organizations with an alternative to SharePoint, and also offers an easy path to upgrade ApplicationXtender to either Documentum or Content Server (its enterprise products) as their requirements change.

Threats

The ECM space is extremely competitive

There are a large number of vendors in the ECM space. Some of these provide functionality across a wide range of technology areas, while other specialist vendors provide capabilities in a single area. Vendors that provide functionality across all ECM technology areas, such as OpenText, with its extensive ECM portfolio, address the enterprise market. However, many vendors, including OpenText with ApplicationXtender and Microsoft with SharePoint, provide capabilities that midmarket organizations will find attractive. Each technology area also includes a large number of single-product, specialist vendors whose products will be implemented by organizations wishing to adopt a best-of-breed approach, and this is a threat to OpenText's share of this market segment.

Data sheet

Key facts about the solution

Table 1: Data sheet: OpenText

Product name	ApplicationXtender	Product classification	Content management
Version number	8.1 (SP1)	Release date	January 2017
Industries covered	Any	Geographies covered	Global
Relevant company sizes	Midmarket	Platforms supported	Microsoft
Languages supported	English with language packs available in French, Italian, Portuguese, and Simplified Chinese	Licensing options	Perpetual, user-based licensing for ApplicationXtender. Perpetual server-based licensing for modules.
Deployment options	Private cloud and on-premises	Routes to market	Partners
URL	www.opentext.com	Company headquarters	Waterloo, Ontario, Canada
European headquarters	Grasbrunn, Germany	North America headquarters	Waterloo, Ontario, Canada
Asia-Pacific headquarters	North Sydney, New South Wales, Australia		

Source: Ovum

Appendix

Methodology

Ovum SWOT Assessments are independent reviews carried out using Ovum's evaluation model for the relevant technology area, supported by conversations with vendors, users, and service providers of the solution concerned, and in-depth secondary research.

Further reading

Fundamentals of a Customer Experience Management Solution, IT0014-003087 (January 2016)

Ovum Decision Matrix: Selecting an Enterprise Content Management Solution for the Cloud, 2017–18, IT0014-003322 (August 2017)

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