



The Smart Enterprise Suite Magic Quadrant for 2003

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This is Gartner's first Magic Quadrant for the smart enterprise suite market. Enterprises evaluating portal, content management and collaboration functionality should consider how these markets are evolving.

What You Need to Know

The smart enterprise suite market is showing the potential strength of some "powerhouse" vendors (IBM and SAP), but there is a good range of smaller or more-specialized companies also pursuing this opportunity. Potential users will have to decide between the breadth of an offer and its potential tie-in to current infrastructure, or choose to pursue more-targeted approaches to the integration of collaboration, applications and information access with lower initial cost and commitment.

Analysis

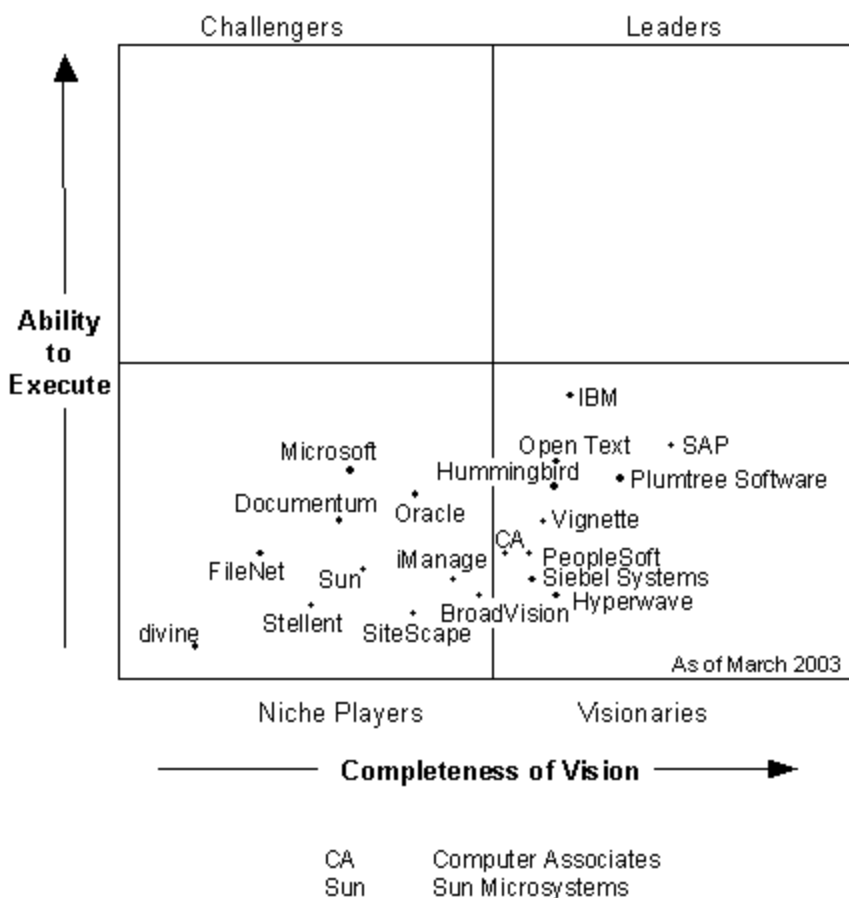
Gartner first identified the emergence of a new category that we called the smart enterprise suite (SES) in May 2002 (see "The Smart Enterprise Suite Is Coming: Do We Need It?"). A combination of portal, collaborative and content management functionality, the SES is becoming a highly significant evolutionary trend as these related markets mature and merge. Market events have clearly confirmed this move. Notable acquisitions driven by the need to aggregate larger suites of functionality include Documentum buying eRoom, Vignette acquiring Epicentric and, most recently, Open Text acquiring Corechange. Portal vendors continue to expand the scope of their products well beyond the gateway (for example, Plumtree Software's Enterprise Web, Computer Associates' Cleverpath and IBM's WebSphere Portal).

This is the first Magic Quadrant for smart enterprise suites (see Figure 1). As always in an emerging market segment, the criteria for inclusion are still somewhat fluid. Any vendor that offers a combination of portal, content management and collaboration support, and chooses to offer those functionalities as a suite was considered. Other functionalities, in particular, analytics capability, although not requirements, are considered additional strengths in this market. We have not regarded it as necessary for a

vendor to own or develop all of the technology in the suite, but it must be delivered as a package from one vendor, not simply by cross-marketing agreements. In rating the vendors, we have looked at strengths in each of the component areas, as well as market presence and other "standard" factors in considering Ability to Execute. For Vision, we have considered the degree to which the vendor has identified with the concept of a suite as a primary element in its approach to the market, and the capabilities so far delivered by the suite. More detail on the assessment criteria can be found in "Assessment Criteria for 2003 SES Magic Quadrant."

Figure 1

Smart Enterprise Suite Magic Quadrant



Source: Gartner Research

Although the market is new, it has already undergone one significant change. We originally anticipated that the first generation of smart enterprise suites would be a package primarily of established application functionality bundled into a single product offering. This would have the advantages of simplified purchasing and reduced integration complexity, and, with suitable price points, could drive the adoption of this functionality into wider markets. We expected that this might be followed by the

emergence of the SES as a platform for developing new applications — such applications would combine the capabilities of transaction-based processing with extended features supporting rich content and collaborative business processes (see "New Applications — Business Process Fusion"). In fact, this second generation has not been distinct, and some vendors are already addressing the issue of SES as platform. This has therefore been reflected by consideration of exploitation of a service-oriented architecture and the provision of tools for creating composite applications.

The Quadrants Examined

Because this is a young market, we have not yet identified any Leaders or Challengers. In this Magic Quadrant, "Ability to Execute" has been assessed with regard to investment directed to this market, but also presence in the precursor markets (portals, content management and collaboration support). As the suite market becomes established, prior positions will become less important and success will be predicated on execution specifically as a suite vendor. We therefore expect to see significant shifts in the position of these vendors in the future.

Visionaries

Visionaries are companies that show a strong understanding of the likely evolution of the market. They may lack a strong track record in a market. In this case, because the SES market is still emerging, there is little to speak of in terms of past proven success, so the Ability to Execute rankings are modest overall. IBM and SAP are the most advanced in their offerings, reflecting the scale of investment and the breadth of their offerings. Plumtree, the strongest of the "pure-play" portal vendors also makes a strong showing, but lags somewhat as a result of its lesser scale. Its offer is limited by less capability of its tools for creation of composite applications using the SES as a platform.

From the collaborative document management sector, the leading Visionaries are Hummingbird and Open Text. Hummingbird has, for some time, offered a broad range of capabilities representative of the SES. Its challenge will be to sustain a competitive position against much-larger companies. Open Text has a comprehensive content and collaboration capability, and the recent acquisition of Corechange should address its weakness in portals. Vignette's more-limited initial focus on Web content management was expanded by the acquisition of Epicentric. The product integration is not yet complete, but the vision of a comprehensive application platform is powerful.

Another major business application vendor, PeopleSoft, is following a path similar to SAP's. Both enterprises are looking to create new applications exploiting the breadth of the SES as a platform and also offering the platform as a product in its own right. PeopleSoft, however, is significantly less advanced in achieving this goal. SAP has delivered initial xApps and the NetWeaver platform. PeopleSoft's AppConnect platform is less extensive and has yet to be targeted at the full range of collaborative and content-

centric applications. Siebel Systems' Application Base contains most of the elements of an SES, but it has not been a player in any of the precursor markets. It remains unclear to what extent Siebel will choose to offer generic platform capabilities vs. focusing on specific business applications.

Computer Associates has established a position using its portal as a framework to deliver business intelligence capability. It is now extending this functionality to deliver additional elements of the SES. Hyperwave has for some time delivered a combination of portal, collaboration and content capabilities. It remains a small company with little presence in the United States (it is based in Germany), but nonetheless has demonstrated good vision toward the SES.

Niche Players

Oracle, Microsoft and Sun Microsystems, all powerhouse companies, have shown an interest in entering the SES market, but have yet to demonstrate a comprehensive vision. Although Oracle has named its product Oracle Collaboration Suite, it has so far focused attention on e-mail and messaging functions. It has no significant content management functionality, and has yet to leverage any of its tools expertise into this space, so Oracle Collaboration Suite is not currently considered an application platform product. Microsoft clearly has capabilities in all aspects of the SES, but it has so far focused more on the development of distinct products across the range of SES functions. SharePoint Portal Server combines the features of a portal and document management, but is not a leading product in either category. Other elements of the Microsoft portfolio, such as Web content management and real-time collaboration are, as yet, not fully integrated. Sun's assets acquired from iPlanet have potential in this market, but Sun has yet to show significant commitment.

iManage, Stellent, BroadVision, SiteScape and divine are all moving toward a suite from different starting points and with different strengths. They are more-specialized offerings as compared with those from IBM or SAP but, as is often the case with niche vendors, where the product fits, it may well be a better choice than a powerhouse vendor's offering. iManage is building toward a suite, for example, embedding WebEx to provide real-time collaboration capabilities, but it has yet to build momentum as a suite vendor. Stellent has a content management background, but only recently has the company shown interest in pursuing a broader target.

BroadVision is showing signs of recovering from severe financial problems and recognizing that it needs to extend beyond its content-centric portal product. SiteScape remains a small vendor focused on collaboration and using partnerships to deliver a broader suite. Acquisitions made by divine have given it capabilities across the whole portfolio, but to date, it has chosen to focus on extranet solutions rather than the SES. Its recent Chapter 11 bankruptcy filing severely limits its ability to execute.

Leading document management vendors Documentum and FileNet have substantial assets that could be applied to the SES marketplace, but neither has yet delivered the full range of capabilities required for the suite in an integrated fashion. Documentum, with its purchase of eRoom, has demonstrated a recognition of the need to move beyond its traditional strength in document management, but still falls short of a suite in the portal dimension. FileNet's focus on content integration technologies is an important component of the SES, but it is insufficient to make it a leading contender.

Key Issue

What innovations will disrupt the e-workplace during the next five years, causing shifts in workplace behavior and technology investment?

This research is part of a set of related research pieces. See AV-19-4654 for an overview.

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