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Compass Guide to WCM, Q4 2013

Evaluation of OpenText WEM 8.5

By: Tony White



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OpenText Web Experience Management 8.5 Product Evaluation

By: Tony White

Date: October 1, 2013



ARS LOGICA POSITION

With the highest scores in two of four technical categories and the second highest scores in three of four business categories in the *Compass Guide* scorecards, OpenText WEM 8.5 leads the WCM market in several key areas. The product exhibits particular strength in scalability, sales-and-marketing enablement, and multi-channel content delivery. Its primary drawbacks include high resource intensity, longer-than-average implementation times, and high cost. However, given uniformly excellent technical and business feature-functionality, WEM 8.5's cost-performance ratio can represent good value for large enterprise deployments.

NOTES & RESOURCES

Compass Guide Vendor Questionnaire

Some company and product information contained in this report was collected via Ars Logica's 172-item Vendor Questionnaire. Vendor responses were independently verified through customer interviews, implementation monitoring, Ars Logica's comprehensive knowledge base, and hands-on product testing.

Product Testing

Ars Logica conducted product testing via remote application sharing and conference calls in June 2013.

Customer Interviews

Ars Logica interviewed users of every product covered in the *Compass Guide*, including OpenText WEM 8.5.

Implementation Monitoring

Since the 1990s, Ars Logica founder Tony White has kept close tabs on ongoing WCM implementations. Some of this knowledge is represented in the *Compass Guide* reports.

No Vendor Influence

Ars Logica retains complete editorial control over the *Compass Guides* and receives no funding in their production.

OpenText Vendor Overview

OpenText is a global technology vendor specializing in enterprise information management, which consists of products in five broad areas: customer experience management, enterprise content management, information exchange, discovery, and business process management. As related to this report, OpenText is a long-established, well-known producer of sophisticated WCM, portal, and collaboration applications. The company's combined platform represents one of the most complete solutions on the market for managing large-scale, global websites with complex content, personalization, social collaboration, and process management requirements. The platform is mostly Java-based, but its best-on-the-market SDK also makes it a logical choice in heterogeneous technical environments where application-integration intricacies call for heavy customization.

Company Profile

Year Founded: 1991
Headquarters: Waterloo, Ontario
Employees (or FTE equivalents): 5,000
Geographies: Global
Revenue: \$1.2 billion
Product types offered: Customer experience management, enterprise content management, information exchange, discovery, business process management
Commercial or open source: Commercial
Strategic implementation partners: Deloitte, Accenture, Sapient, Enthink, Miller Systems
Top competitors: Adobe, EMC, IBM, SDL, Oracle, Sitecore
Key vertical industries: Financial services, insurance, legal, life sciences

Product Profile

Product Name: Web Experience Management
Version: 8.5
Next version release date: January 2014
Market segment: Enterprise
Average sales price (License Only): \$250,000
Technology platform: Primarily Java
Key strengths: Industry-leading scalability, excellent online marketing tools, rich development toolkit, social computing capabilities
Key limitations: Resource-intensive system administration, cost of full platform
Highest-value use case: Large global, public-facing website with combined emphases on online marketing, interactive user experience, and social computing

Vendor History & Product Evolution

[This synopsis focuses on Vignette through v. 7.5 and OpenText from v. 8.0 onward.]

Founded in 1995 as an offshoot of CNET, Vignette launched StoryServer v. 1.0 in 1996. An early entrant to the WCM market, Vignette was a content-technology pioneer, especially in the areas of portals and personalization. For the next half dozen years, archrivals Vignette, Interwoven, and Documentum dominated the WCM market. As reflected in the product's first name, StoryServer, Vignette chose very early-on to specialize in personalization technology, an area where it leads the market to this day. Although hard hit by the dot.com bust of 2001, WCM survived as a product type. Personalization, however, as a stand-alone technology virtually disappeared. Vignette continued personalization technology development, and when the market began to recover in 2003, Vignette was still further ahead of the competition.

As of 2003, Vignette was the leading producer of integrated WCM-portal technologies, and it led the market in terms of customer base, revenues, and mindshare. In 2004, Vignette introduced V7, which was a complete overhaul of the platform. So new and radically different was V7 from V6 that many existing customers considered replacing Vignette rather than upgrading. This was an extraordinarily difficult time for the company, and Ars Logica estimates that Vignette lost 25 to 30 percent of its installed base. The 7.x versions of all three Vignette products witnessed the introduction of excellent user interfaces, with market-leading ease-of-use and nearly unrivaled feature-functionality. With the products in good shape, 2009 saw both the acquisition of Vignette by OpenText and the evolution of the product to V8.

Since 2010, OpenText has contributed significantly to the establishment of customer experience management as a technology category, leading the market in the development of several of its key feature-functional components.

Key Recent Developments

WEM 8.5 introduces a more logical mapping of the product modules to OpenText's "Manage, Engage, Measure" model. Whereas before, customers could not always tell where each of the 10+ product modules fit in the overall V8 product line-up, OpenText has simplified the WEM platform into three logical themes: Responsive Design – authoring; Omni-Channel Delivery – e-commerce integration, multivariate testing, analytics and reporting; Compelling Experiences – multilingual support, media management, segmentation and targeting, and social integration. For most implementations, the total number of individual SKUs is now five or fewer.

Most important, however, is the elimination of any doubt related to OpenText's commitment to the former V8 product line. OpenText's assiduous development of WEM 8.5 over the past year has established it as a leader in the inchoate customer experience management technology space.

Profiling the Ideal Buyer

The ideal buyer of an OpenText WEM solution is a global enterprise with requirements for a distributed, multi-regional, dynamic, highly personalized, public-facing Website whose interactive and social computing features play an important part in building and maintaining customer relationships. While there are other hallmark features of OpenText WEM, the real distinguishing characteristic of the system rests in the synergy between extreme dynamicism (pages built at run time), personalization capabilities, social computing features, and best-of-breed process management.

- **Large Corporation with Multinational Web Presence**

The scalability of WEM 8.5 is best suited to large, global, high-traffic, interactive websites with a distributed content authoring model.

- **Web Experience Management as a Key Concern**

While no longer new terms, “web experience management” and “customer experience management” are just now becoming functional realities. Excellent personalization combined with online brand management and social collaboration features make OpenText an industry leader here.

- **Sufficient Pool of Java Developers**

With high degrees of scalability comes a need for robust development skills and resource availability. Take the time to get a clear idea of how many IT resources other OpenText customers needed to implement projects of a scale similar to yours.

OpenText WEM 8.5 Will Not Be a Good Fit, If...

Since WEM 8.5 is an expensive, labor-intensive, highly sophisticated multi-module platform, it is not well-suited to smaller enterprises or to those with needs for strictly static websites. Consider WEM 8.5 only if the ability to create customized Web experiences ranks high on your list of requirements.

The value (ratio of cost to feature-functionality) of the solution also diminishes markedly when customers do not take advantage of the synergies between multiple modules. That is, the value of implementing the WEM base application alone is relatively low compared to deploying the full WEM platform -- likely integrated with other OpenText or third-party products. If you are strictly considering WCM, you may find a better fit elsewhere.

Key Product Strengths

Because OpenText WEM 8.5 scores highest overall in the four technical categories of the vendor scorecards (scalability, flexibility, development tools, ease of administration), Ars Logica’s holds that OpenText WEM 8.5 is the most technically robust WCM/WEM offering on the market.

OpenText WEM 8.5 demonstrates the highest level of scalability of any WCM product on the market (tied with Adobe Experience Manager WCM). While the Q4 2010 *Compass Guide* report on Vignette V8 goes into the historical reasons for this, OpenText continues to attract customers with requirements for ultimate solution scalability both in terms of bandwidth and concurrent usage. There are perhaps a dozen WCM vendors whose system architectural designs themselves would not seem to impose limits on scalability, but technologists know that theoretical and demonstrated scalability can be quite different. OpenText WEM 8.5’s demonstrated scalability closely approximates its theoretical potential.

WEM 8.5’s SDK provides the richest application development framework currently on the market. Given the product’s long historical installed base among the largest of global content management customers, it is not surprising that OpenText deployments have been customized and expanded to an uncommon degree. Keen to maintain its market advantage in this area, the vendor has devoted significant engineering effort in the last year to evolving its toolset for developers.

FIGURE 1 OpenText Web Experience Management 8.5, Key Product Strengths and Limitations

Below are several key product strengths and limitations that potential buyers should keep in mind when assembling vendor shortlists.

KEY STRENGTHS	KEY LIMITATIONS
Highest overall score in the technical categories of the vendor scorecards	Resource-intensive system administration
Most complete set of development tools of any WCM or WEM offering on the market (highest score in “Development Tools” category)	Implementation complexity can substantially lengthen deployment times.
Industry-leading scalability (tied for highest score in “Scalability” category)	Add-on modules increase overall solution prices significantly.
Outstanding sales/marketing tools (second highest score in “Sales & Marketing Tools” category) and personalization capabilities strongly support branding, customer experience, and e-commerce initiatives.	

Source: Ars Logica, Inc.

Source of Information: Product testing, customer interviews, Vendor Questionnaire

Like the Vignette products before it, OpenText WEM 8.5 offers excellent personalization capabilities (a core competency of Vignette products from the birth of the company in the mid 1990s). For organizations interested in using WCM/WEM solutions to manage or supplement their marketing campaign management initiatives, OpenText WEM 8.5's personalization, social collaboration, and search-merchandising capabilities will prove extremely useful. It is not an overstatement to say that OpenText WEM 8.5 and its Vignette predecessors have supplied much of the functional foundation for the "web experience management" and "customer experience management" product categories as a whole.

Key Product Limitations

The key limitations of the WEM 8.5 platform come primarily in three areas: (1) resource-intensive system administration, (2) implementation complexity, and (3) rapid increases in overall solution pricing as additional product modules are included.

As we have stated in previous reports, the first two of these limitations are the flip side of overall solution comprehensiveness and extremely fine-grained feature-functionality. This may not be a drawback for those with proper expectations. For along with high expectations come high demands and costs. Of all enterprise-scale WCM solutions on the market, OpenText's is arguably the most expensive to implement and administer over time (the other possibilities are Adobe and SDL). While most solutions' initial implementation costs range from 80 to 120 percent of license costs, Ars Logica estimates that initial implementation costs for WEM 8.5 typically range from 150 to 250 percent of license costs.

The price tag for software licenses themselves can also scale very quickly. The full WEM product suite includes the base WEM application and six complementary products, pricing for which is much higher than for base WEM alone. Such wide-ranging pricing is a function of OpenText's need to serve companies between midsize and Global 50.

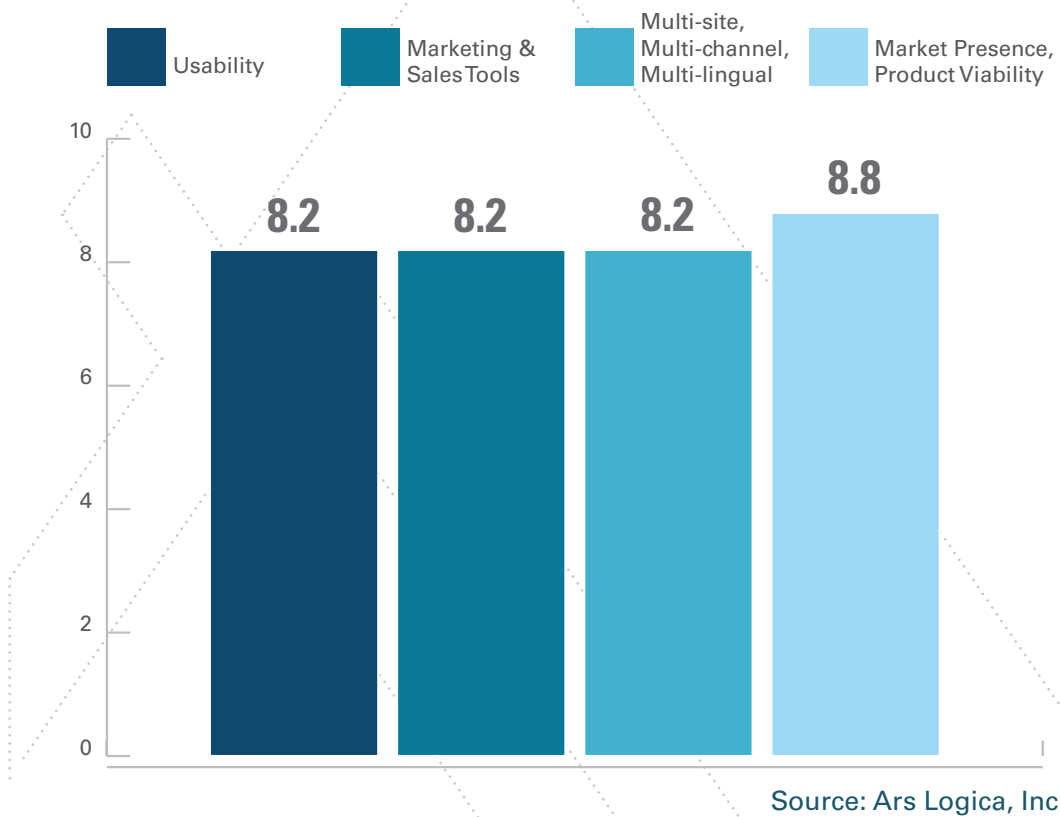
In the last *Compass Guide* report on OpenText, we voiced concerns about the vendor's WCM product plans, citing "a lack of clarity ... about the product's strategic direction," and "a [slowing] release cycle that has not seen a dot release since v. 8.0 was introduced." In the past year, OpenText has compellingly addressed these concerns, as evidenced in the major product-development efforts involved in the WEM 8.5 release. The vendor's long-term vision for customer experience management – along with its demonstrated ability to deliver a product line that supports the vision – is exemplary. Of all the vendors evaluated in Ars Logica's *Compass Guide to WCM* scorecards, OpenText has the highest overall ranking in the technical categories, and the third highest overall ranking in the business categories.

Vendor/Product Report Cards

The features, functions, and technical underpinnings of WCM products vary wildly, as do the customer requirements they are intended to satisfy. For this reason, the only reliable way to assure the best product fit for a particular client is to spend anywhere from several weeks to several months assessing the client's specific needs and analyzing product capabilities line by line. Still, Ars Logica is frequently asked to rate products in categories such as those in Figures 2 and 3. In using these ratings, please take care not to compare products in different market segments (see the Product Profile section of Page 4).

FIGURE 2 OpenText WEM 8.5 Report Card for Business Users

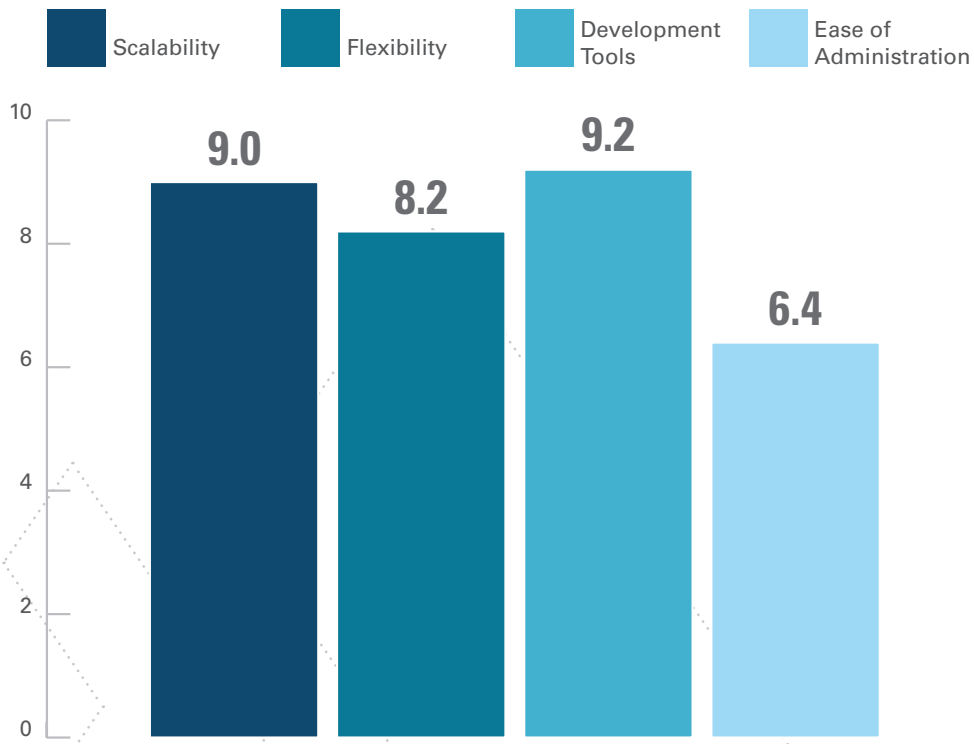
Figure 2 shows Ars Logica's rating of WEM 8.5 in four categories of critical importance to business users. Refer to Page 11 for an explanation of the evaluation criteria.



Source of Information: Product testing, customer interviews, Vendor Questionnaire

FIGURE 3 OpenText WEM 8.5 Report Card for Technologists

Figure 3 shows Ars Logica's rating of WEM 8.5 in four categories of critical importance to technologists. Refer to Page 12 for an explanation of the evaluation criteria.



Source: Ars Logica, Inc.

Source of Information: Product testing, customer interviews, Vendor Questionnaire

Report Card Evaluation Criteria

In the process of analyzing WCM solutions, Ars Logica has established a set of evaluation criteria, which at the highest level can be separated into four categories for non-technical business users and four categories for technologists. Scores in these categories represent averages of a large number of detailed criteria, and are meant to be used as a means of quickly comparing products within the same market segment.

Criteria for Business Users

- **Usability**

Usability refers to the relative ease of learning and using a WCM application. For non-technical business users, factors contributing to high scores in this category include intuitive and consistent user interfaces, streamlined task completion (i.e. minimal number of steps to complete a task), integration with the desktop, contextual editing capabilities, and documented high user adoption rates among a vendor's customers.

- **Marketing & Sales Tools**

Increasingly, enterprises are relying on marketing and sales tools within WCM applications to improve sales conversion rates, increase average transaction amounts, draw customers back to their Web sites, analyze online behavioral patterns, and so on. This category rates the presence and quality of such tools.

- **Multi-Site, Multi-Channel, Multi-Lingual Capabilities**

This category assesses a product's ability to support multiple sites; deliver content to multiple channels on multiple devices; and create, store, present, disseminate, and/or translate content into multiple languages. Scores in this category represent an average of a product's capabilities in all three of these broad functional areas.

- **Market Presence, Product Viability**

The Market Presence, Product Viability category rates both a vendor's overall market presence relative to competitors and its dedication to the continued development of its WCM products. If these two factors are not aligned with each other, an explanation of why will be included.

Criteria for Technologists

- **Scalability**

Scalability refers to the ability of a product to function well as system demands increase. Factors contributing to scalability are database size, query efficiency, bandwidth consumption, ease of system management, caching efficiency, load balancing, and mass content deployment capabilities.

- **Flexibility**

Flexibility denotes a product's ability to integrate easily with existing enterprise infrastructure, including operating systems, Web servers, databases, directories, development tools, and other enterprise applications such as ERP, CRM, document management systems, search, portals, and so forth.

- **Development Tools**

This category describes the quality of a product's integrated development environment (IDE), the technologies that the IDE incorporates, and overall ease of customized application development. Although this category refers primarily to development frameworks (Eclipse, e.g.), other ad hoc tools are also included, such as page templates, HTML/XML editors, WYSIWYG editors, PDF generators, and any other software that enables or eases the production, formatting and dissemination of content.

- **Ease of Administration**

Some WCM products require significantly more work to administer (sometimes 5-10 times more) than others. This category rates the relative resource intensity required to keep the system running smoothly, where higher scores reflect less work. Roughly speaking, higher scores also indicate better coordination of application components due to more methodical system design.



SERVICES

Advisory Services

Ars Logica is a vendor-neutral analyst firm helping companies evaluate their WCM requirements and select appropriate WCM software. To address clients' content management-related questions and problems that arise throughout the year, Ars Logica offers unlimited direct analyst access through its Analyst Anytime advisory services. These annual, subscription-based services provide guidance by phone or email within 24 hours on a wide range of issues. The number of inquiries submitted throughout the year is not limited.

Software and Technology Selection

In our Software and Technology Selection engagements, Ars Logica maps clients' functional, technological, and strategic requirements to potential WCM solutions and identifies the software vendors whose products best satisfy these requirements. We maintain a continuously updated comprehensive matrix of the feature-functionality of most WCM vendors' products and solutions. We also receive frequent briefings from these vendors and have in-depth conversations and consulting engagements with their customers, ensuring that we always understand the actual state of vendors' offerings as well as their forward-looking strategic directions.

Custom Engagements

Ars Logica's expertise in WCM and related technologies such as digital asset management, records management, marketing campaign management, search, and portals, gives us the open-ended ability to help clients on a wide range of projects, including: building internal business cases, assessing technology requirements, analyzing software products and vendors, selecting and assembling software solutions, crafting Web strategies, and running corporate educational seminars. We also assist vendors in developing strategic roadmaps, and we and present our view of the WCM market at industry conferences and end-user events.

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