Web content management leaders are moving rapidly, and clients must understand not only current positioning, but also the trends that will shift these vendors’ positioning in the short term as this market evolves.

In our analysis of the Web content management (WCM) market (using the METAAspectrum™ balanced-scorecard approach for rating IT vendors), we identified four market leaders that are strong on both performance and presence dimensions: Documentum, Interwoven, Stellent, and Vignette. However, users should proceed carefully with WCM vendor selection, considering leaders and challengers and vigilantly weighing vendor strengths and weaknesses against objectives in this rapidly evolving market. Vendor strategy among these leaders varies significantly, and velocity (vendor positioning trend vectors — see Figure 1) indicates that the current positioning of WCM vendors will likely change significantly during the next 12 months, and most of the leaders will evolve fully into the enterprise content management (ECM) space by 2004, with Web content being only one of several content types the platform can address (e.g., documents, images, rich media, reports, code, catalog). In this transition, we believe the current modular packaging by content type approach will give way to more cohesive product packaging with the WCM modules rolled up into comprehensive suites by 2005.

Many (60%+) Global 2000 (G2000) organizations have responded to public Web site requirements with a WCM package; however, internal and partner dynamics are currently driving this market. This has given way from early leaders Interwoven and Vignette to more document-centric and publishing consideration where Documentum and Stellent have an advantage. Total cost of ownership has also become a major consideration where service costs are typically 2x and can be as high as 4x licensing fees, depending on vendor selection and integration requirements. Although license and service costs have dropped significantly during the past 36 months (license average selling price [ASP] of more than $300K to ASP less than $200K and 3x-7x services to 1x-4x), no vendor has yet addressed the increasing user desire for enterprise pricing within the leading offerings. Moreover, beyond open source (e.g., Zope, Open CSM, Red Hat Content Management) or ASP, pay-as-you-go solutions that do not effectively deal with integration or security issues (e.g., from Atomz and Crown Point), the small to midtier market for WCM leaders is wide open due to current cost models. We believe both of these opportunities will be addressed fully by 2004. Indeed, recent discounting has led to several initial deals where Interwoven and Vignette have been less than $150K and Stellent less than $100K. This type of discounting will likely continue though 1H02 as the market shakeout continues and WCM vendors become desperate to remain afloat, undercutting offers and forcing others to match, or establishing tactical beachheads from which they can expand more strategically.

Of the more than 50 vendors currently providing standalone WCM solutions, we evaluated 23 using the METAAspectrum balanced-scorecard approach (see EBS Deltas 1261 and 1272). Four vendors — Documentum, Interwoven, Stellent and Vignette — are positioned in the leader category due to their high ratings in both performance and presence. However, these are four very

**META Trend:** By 2004, 95% of Global 2000 firms will deploy a content management (CM) infrastructure to control Web content and associated costs. Vendors will embrace more diverse content (e.g., documents, images, rich media, reports, catalogs, code) and channels (e.g., devices, internationalization), conforming to clients’ strategic goals. By 2004/05, traditional database vendors (e.g., Oracle, IBM, Microsoft) will commoditize the repository (avoiding niches like document automation, output management, and records management), driving CM vendors to focus on vertical and horizontal content-rich applications.
different organizations with surprisingly dissimilar approaches to this market, and it is important for users to understand the key strengths and direction of each. The following represent details from our analyst notes during the WCM METAAspectrum evaluation (see Figures 2, 3, 4, and 5 for additional details).

**Documentum.** Documentum excels at complex content/document handling issues and is best positioned as a best-of-breed solution that, in its WCM role, leverages other technologies to enable its Web site presentation (e.g., application server, portal). Fundamentally, Documentum’s focus is on ECM (vs. WCM), which is clear in its recently announced Release 5 feature set by adding more imaging, new output management, and record management capabilities. Since 2H01, it has benefited from the greater internal/document-centric purchasing trends, which its deep partner channel has been able to effectively exploit.

**Interwoven.** Interwoven has been one the earliest and strongest promoters of WCM from a marketing perspective. It should also be viewed as a best-of-breed solution and, like Documentum, leverages other technology to present its content. Interwoven continues to boast one of the largest WCM sales forces (though it has been proactively paring its sales staff) and is brought up more than any other vendor on client calls, a direct result of its excellent marketing and partnership strategies. However, this has waned since 2H01 as WCM purchases have shifted more internally and it is why it has rushed out its TeamDoc offering (TeamCode has also been announced and TeamPortal released with good market traction). Of the WCM leaders, Interwoven is most at risk from current and future market trends (i.e., it has the farthest to go to create a complete ECM platform, which is its announced plan).

**Stellent.** Stellent is another budding ECM vendor that has a unique niche in two ways: its Web publishing strength and its Windows/EJB architecture. Although Stellent has not articulated this differentiation clearly, it is getting savvier. Stellent is on the cusp of being recognized as a market leader, though it is still a largely US-centric vendor. It differentiates itself on its strong information publishing capabilities and core product strength for driving information-oriented Web sites.

**Vignette Version 6.** Like Interwoven, Vignette has been hit hard by this shift to more internal-focused purchasing. The Vignette suite includes WCM, personalization, commerce, and portal capabilities. Vignette’s future vision is very strong in V7 (4Q02), with native EJB/.Net leverage architecturally that is well suited as a development platform for content-rich applications and for developing its own applications for resale on this. However, Vignette has struggled on how to best position its offering since early 2002, but is showing signs of getting it right (e.g., planned pricing and packaging). Key differentiation exists in its suite approach that will only get stronger with V7.

**Bottom Line**

The WCM market continues to consolidate around strategic providers. However, several challengers can warrant consideration as well.

*Business Impact: Long-term vendor viability is playing an increasingly important role and can be more important than vendor technology in the selection of a WCM partner.*
Documentum provides excellent technology differentiators, with a large portfolio of intellectual property. It is one of the most technically advanced products in the WCM market. Its XML capabilities, life-cycle management, ability to deal with very granular content in a secured manner, robust workflow, deep API set, and repository services are state of the art. However, in its current release, the sophistication of the product makes it a bit more complex to work with. More ease-of-use features and a core focus in Release 5 will help in content creation (e.g., one-button publishing), administration (e.g., drag-and-drop import), deployment, and integration (content and application). It has very strong technology partner ties to portals, application servers, and personalization/commerce servers.

Documentum charges a premium for its products, and, given its technology, believes it warrants it. However, it also has one of the highest software-to-services ratios in the field, 3x-5x, due to the product's complexity. However, if deep integration is required, this depth cannot be overlooked. Velocity has been slightly up during the past few quarters. Documentum has been hitting most of its numbers, but doing so via an increasing percentage of additional seats versus new deals (WCM revenue attributed to new deals is reported at ~40%). Renewal of clients is below the industry average of 95%, but we attribute this to dot-com clients that no longer exist. Furthermore, we believe 2002 will be a transitional year as Documentum is driven to evolve technically while still meeting revenue demands. For financials, Documentum boasts a strong balance sheet with approximately $180M in the bank, a deep line of credit and willing investors. Profitability has been just out of reach in the past few quarters in a down market, but expectations are that it will return to the black later in 2002 and with its revenue generation from multiple sources, its viability remains excellent.

Source: META Group
Interwoven provides product differentiation in templating, content/data distribution, tagging content, virtual copy view, site rollback, object architecture, and markup. Interwoven provided excellent performance via XML-oriented database, but this will also become a liability in time as organizations move to a more relational-based model for unstructured content storage. It has one of the more open platforms, but its serviettes model does not fully leverage the supporting application server and requires Interwoven's own solutions for clustering. It also provides strong integration capabilities and link checking. Markup and tagging modules are a significant plus to users. Its native authoring tool support via FrontOffice module is strong, but not best of breed (planned enhancements for next version). Workflow could be more robust and will need to be for B2B situations. Site management is strong, but still some aspects of Perl scripting are required. OpenDeploy is very strong for data and content integration as well as content syndication capabilities. Liquidnet offering is OEMed for Web publishing and offers strong capabilities. Interwoven boasts the best partner integration of any vendor reviewed. Its list pricing is high, but it has been discounting heavily since late 2002 as Documentum, Stellent, and Microsoft have been eating into its closure rates. Maintenance costs are above most other WCM vendors, but service ratios are under those of Vignette and Documentum, with service ratios of 2x-3x common. The number of new accounts it boasts is somewhat offset by the discounts necessary to get them. Interwoven's ability to meet Wall Street targets has been fair during the past several quarters, a trend we expect to continue as user demand moves to more ECM and solution focused purchases. Client renewals average approximately 95%. Financials show significant cash and short-term assets, but it is still losing money and must realign to meet its target or Q402 profitability.

Source: META Group

Stellent offers proven high-volume capabilities that have just gotten better with Release 6.0; however, some components still require the NT server (PDF Web publishing). Syndication and content aggregation are now strengths with its newly rolled out Kinecta-acquired technology. Stellent's Workflow still requires more capabilities for complex review processes that span organizational boundaries, but it is adequate for most WCM processes. Stellent also provides good portal connectors (particularly IBM and Plumtree), and has recently added e-business personalization and commerce product integrations. Complete content life-cycle management, including records management is well supported. Straightforward and flexible server-based pricing helps in sales situations. Service ratios are a key sales differentiator running in the 1x-2x range, which has hurt its systems integrator (SI) channel in that Stellent drives less services revenue for SIs than its competition. Questionable accounting practice concerns proved to be limited to a single instance, but the bad miss in early 2002 has hurt its stock price and Wall Street credibility that only a return to profitability will cure. Client renewals are near 100%. Stellent has strong access to capital, with approximately $90M in the bank. Stellent's viability is strong; however, it must continue to broaden its ECM capabilities for long-term growth (features, acquisitions, etc.) and get better at selling larger strategic, versus tactical, deals.

Source: META Group

Vignette has one of the more expensive offerings, but it is difficult to regard Vignette as a standalone WCM vendor because its real value is as an integrated suite. We find many clients trying to compare its pricing to that of Documentum or Interwoven, but not considering the additional technology necessary for a complete solution with these other offerings. On an apples-to-apples basis, Vignette's WCM module is similarly priced to those from Documentum and Interwoven, though new simplified bundled pricing and its $200K standard edition has kept discounting far less than in its past. Its service ratio has come down significantly since its V. 4.X toolkit days, but still remains in the 3x-5x range, which will drop significantly post V7. However, like Documentum, if requirements drive that need for complexity, there is no substitute with less robust offerings. Velocity is down significantly, though still among the leaders in new WCM clients closed. Revenue and targets have been badly missed during the past several quarters, and we expect this to continue until V7 is released. Vignette boasts more than $350M in cash and more than $600M in total assets, which negates any concerns about organizational viability in the short term, but it must show that it can generate revenue and become profitable to regain any credibility on Wall Street.

Vignette has excellent intellectual property; unfortunately, some of it has not yet been leveraged (e.g., OnDisplay integration adapters and process capabilities), but it will in conjunction with V7. V6 provides proven scalability and excellent openness for platforms and databases support. With its Business Integration Studio, add-on Collaboration Server, and now uniform application programming interface set, it is one of the best integration capabilities reviewed. Authoring tool support is tightly integrated into MS Office and can provide for one-step publishing. Workflow is robust, but still text-based (planned to be updated with V7). Repository services are strong and will get stronger as it begins to support other relational database management system (RDBMS) and repositories. Site management and security are core strengths of Vignette's V6 platform. Surprisingly, Vignette does not offer a Web publishing facility, and this must currently be custom coded (expected in V7). Strong XML extraction and tagging capabilities are available. Standards support is excellent with the exception of no WebDAV support, which is key and planned for V7. It also has strong line-of-business integration with SAP, Siebel, PeopleSoft, and JD Edwards, which will get only better with the release of the OnDisplay adapters.

Source: META Group