Magic Quadrant for Enterprise Content Management

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Summary

Shifting business requirements for digital content and new technologies are changing the ECM market. This Magic Quadrant analyzes these dynamics, their impact on ECM vendors and their implications for application leaders in charge of content management.

Strategic Planning Assumptions

By 2018, 50% of enterprises will manage their content using a hybrid content architecture.

By 2018, more than 20% of the enterprise content management solution sales will address multiorganization "ecosystem" content.

By 2018, enterprise file synchronization and sharing will be a standard capability of enterprise content management and collaboration offerings.

By 2018, at least 50% of the leading enterprise content management vendors will rearchitect their offerings into cloud-based platforms.

By 2018, 20% of all business content will be authored by machines.

By 2019, 70% of all business content will be nontextual, which will require organizations to invest more widely in analytics as part of their content management efforts.

Market Definition/Description

Gartner has traditionally used the term "enterprise content management" (ECM) to describe products with a range of capabilities for managing unstructured enterprise content. Although we still apply this term to such products, new technologies, external market challengers and digital business requirements are changing organizations' requirements for managing digital content. These changes are part of a functional evolution from a centralized, back-end, command-and-control focus on managing unstructured content to a more integrated approach that prioritizes content usability, processing and analysis. In response to these changes, Gartner has recast its definition of ECM to emphasize the strategic need for a more dynamic, flexible and adaptable approach to content within enterprises:

> ECM is a set of services and microservices, embodied either as an integrated product suite or as separate applications that share common APIs and repositories, to exploit diverse content types, and serve multiple constituencies and numerous use cases across an organization.

For more details and the rationale behind the new definition, see "Content Management for the Digital Era: Rethinking Strategies Beyond 2016."

These changes are bringing new dynamism, growth and innovation to a mature market. That market consists of buyers who want to exploit diverse types of content for their digital business activities, and sellers who offer software and services to manage an increasingly diverse range of digital content across enterprise repositories and systems.

Application leaders responsible for content management should understand the following forces that are affecting the ECM market:

- New business requirements, such as those introduced by the digital workplace
- Technological evolution, as evidenced by the rise of cloud and hybrid content service architectures
- Operational factors, such as new types of technology buyers and a focus on mobilized and consumer-like user experiences
- A new organizational emphasis on creating and improving content-centric processes that boost productivity, foster digital business, and facilitate the use and sharing of information

In addition, there is a corresponding evolution of ECM functionality to support the use of content in business processes, provide business intelligence (BI) and insight, and empower users as they work.

This Magic Quadrant reflects that evolution by identifying eight essential functional components that characterize an ECM product (see Note 1). The 2015 Magic Quadrant on this topic identified seven such components, including the now-removed web content management component (now an extended capability). This year, we have added two new components: analytics/BI, and packaged apps and integration.

The weightings of some of the components have also changed this year: image-processing applications and content workflow are now deemed somewhat less important, due to their relative technological maturity; extended components, by contrast, are now considered somewhat more important, as ECM use cases are encompassing broader workloads and capabilities. The new weightings reflect a shift in our perception of ECM trends and accommodate new functional requirements. Further details on the changes are included in Note 1.

Only vendors that offer four or more of the eight functional components (without the need for third-party add-on components or customizations) were considered for inclusion in this Magic Quadrant.

Magic Quadrant

Figure 1. Magic Quadrant for Enterprise Content Management

Source: Gartner (October 2016)

Vendor Strengths and Cautions

Alfresco

Alfresco (http://www.alfresco.com/) is based in Maidenhead, U.K. and San Mateo, California, U.S. It sells ECM products, based on open standards, for on-premises, cloud (SaaS and private) and hybrid deployment: the Alfresco One and Alfresco in the Cloud product lines. Alfresco's ECM platform leverages open standards to provide an integrated solution that can be customized and extended through public APIs. The ECM platform works with Alfresco One Records Management and the Alfresco Activiti business process management (BPM) product.

STRENGTHS

Alfresco's open-source-based platform is attractive to technology buyers who want to customize and optimize their ECM implementations in a variety of deployments and cloud implementations.

A new marketing strategy has shifted Alfresco's focus to three key direct sales verticals: financial services, government and healthcare. Strong year-over-year growth puts it on a steady course as it expands into new regions, especially Asia/Pacific.

Alfresco is sharply focused on platform expansion, optimization, scalability and extensibility, and has strategic technical partnerships with Amazon Web Services (AWS), Google and Salesforce.

CAUTIONS

Outside its three target industries, Alfresco leaves some key business and vertical extensions and solutions largely to third-party integrators. Application leaders in charge of ECM should therefore assess the experience and capabilities of these third parties.

Alfresco's technology and platform focus appeals to IT and application development professionals, but is less attractive to line-of-business (LOB) buyers, who typically look for purpose-focused solutions. Application leaders in charge of ECM should focus on matching Alfresco's platform capabilities and integrated third-party solutions with their business requirements to fill gaps.

Alfresco has been slow to introduce native integration via connectors or plug-ins with ERP and other popular LOB solutions. Customers needing such integrations should work with third-party partner integrations or build the integrations themselves.

Dell EMC

Dell EMC (http://www.emc.com/) , which is based in Hopkinton, Massachusetts, U.S., has a content management portfolio that includes the EMC Documentum products Documentum, ApplicationXtender, xCP, Captiva and Records Manager. All products are offered via on-premises or private cloud delivery models. In May 2016, the Leap product family was announced — a set of cloud-based, multitenant and modular content applications. Dell EMC also plans to release a suite of content microservice APIs. This vendor has numerous solutions that support most industries and business processes.

On 12 October 2015, a definitive agreement was reached that Dell, together with its owners, Michael S. Dell (the founder, chairman and CEO of Dell), MSD Partners and Silver Lake, would acquire EMC. The acquisition was finalized on 7 September 2016.

In addition, on 12 September 2016, a definitive agreement was reached that OpenText would purchase Dell EMC's Enterprise Content Division, including the Documentum, InfoArchive and Leap product families.

STRENGTHS

- Dell EMC's platform has a comprehensive set of ECM capabilities, and supports a broad range of vertical and horizontal solutions. Recent releases have focused on modernizing user experiences through mobile support and LOB application integrations.
- Dell EMC is executing a new cloud ECM strategy characterized by customization and microcontent services (Leap), which are designed for content usage and collaboration. This results in a more streamlined and cohesive product offering across the Enterprise Content Division brands (Documentum, InfoArchive and Leap).
- Customer surveys indicate that Dell EMC's customers are generally satisfied with the products and services they use, as long as they keep up-to-date with the latest software releases.

CAUTIONS

- Disruption related to Dell's acquisition of EMC could have a direct impact on customers and on its ability to execute. Content managers should review purchase and support terms during contract negotiations to mitigate potential risks.
- Dell EMC's Documentum product and pricing options have been an obstacle for midsize businesses. However, products like ApplicationXtender and the new Leap services are designed to address departmental and midmarket needs.
- Dell EMC has few technical development partnerships, but it does offer open APIs for extending business-processing and application integrations with third-party tools. Customers who need broad integration or extensions will likely require development support.

Everteam

Everteam (http://www.everteam.com/en/) , which is based in Boston, Massachusetts, U.S., sells its ECM platform mainly to midsize and large enterprises in Europe and the Middle East. It offers its ECM platform, which includes cloud enterprise file synchronization and sharing (EFSS) capabilities, via on-premises and cloud delivery models. This vendor recently gained BPM capabilities through its acquisition of Intalio. Everteam's software integrates with Microsoft SharePoint and web interfaces using standard web tools and web service APIs. Everteam relies on a strengthened partner network for implementation and support. It concentrates on the following industries: engineering, government, insurance and utilities.

STRENGTHS

- Everteam has a strong focus on regulated industries, especially government and insurance, for which it offers strong records management and archiving tools.
- Everteam received high marks from its reference customers for product support — specifically for providing accurate support in a timely manner. This reflects a strong focus on products and delivery.
- Everteam's ECM platform now incorporates BPM features — following integration of the Intalio acquisition — for automating the content life cycle.

CAUTIONS

Everteam does business predominantly in EMEA. It is de-emphasizing sales activities in Asia/Pacific, and is little known in the U.S. North American buyers will probably find it difficult to purchase Everteam's ECM platform.

Everteam's ECM platform has minimal out-of-the-box integration with external toolsets that are not web-based. Customers who need an ECM platform that can be extended to other LOB applications and tools should assess alternatives.

Everteam's cloud offering is limited to private cloud instances and only available in European markets. Buyers for non-European organizations should carefully consider data residency and privacy rules when deploying content to Everteam's cloud.

Hyland

Hyland (http://www.onbase.com/) , which is based in Westlake, Ohio, U.S., markets its OnBase suite to organizations interested in transaction-associated content and case-centric workloads. The suite is available both on-premises and in the cloud. In 2016, Hyland unveiled ShareBase, a cloud-based document collaboration and EFSS solution. OnBase uses a metadata-driven approach in order to make document management the foundation of automated business processes and case-driven solutions. Hyland addresses specific horizontal and vertical use cases in industries such as healthcare, government, higher education, financial services and insurance.

This Magic Quadrant evaluates OnBase 15. OnBase 16 was released for general availability in May 2016, after the cut-off point for evaluation.

STRENGTHS

Hyland's sustained organic growth in the ECM market is due especially to enterprise customers who want vertical solutions, business process automation and strong content protection.

Hyland's customer base (as measured through reference customer surveys) is mainly satisfied, especially with its ease of implementation. Hyland is responsive to its clients' requirements and product needs — it continues to develop vertically focused solutions, as well as integrations with productivity suites and LOB and ERP solutions.

Hyland has streamlined its product messaging around a unified OnBase platform. This is attractive to organizations looking for a multipurpose ECM platform.

CAUTIONS

Hyland's largest direct sales channel is in North America, but it has satellite offices in Europe, Asia/Pacific and Latin America, and it also uses resellers and technical partners to "pull through" sales. Global customers are likely to find that sales and support options differ, depending on their location.

Hyland customers have expressed some confusion about complex, multifaceted bills of materials and purchasing model "lock-in" when negotiating new, renewed or upgraded contracts. Purchasing agents should engage appropriate IT and business stakeholders to ensure they have identified the appropriate options.

- Hyland's solution-oriented sales approach attracts midsize and large enterprise buyers, but it is increasingly selling to larger organizations.

IBM

IBM (http://www.ibm.com/) , which is based in Armonk, New York, U.S., has one of the broadest ECM portfolios for large, multinational enterprises. It includes Content Foundation (based on IBM FileNet Content Manager), Content Manager OnDemand (CMOD), Datacap, Enterprise Records, Connections Enterprise Content Edition, Watson Explorer Enterprise Edition and Case Manager. All these offerings are available in the cloud. IBM focuses on transactional content management and business content services, along with social capabilities, and other use cases. It is especially strong in the financial services, insurance and government sectors, and in IBM-centric organizations in other sectors.

STRENGTHS

- IBM's broad content management ecosystem, on-premises and cloud delivery models with integrated hybrid options, and global reach make it a leading ECM vendor and a preferred vendor for large, global enterprises.
- IBM's Watson products make it a visionary in terms of content analytics for digital business and an innovator in unstructured content usability.
- IBM's technical and business partnership with Box enables IBM to offer innovation and new user experiences to its traditional enterprise customers by leveraging integration with Box's cloud-based EFSS capabilities.

CAUTIONS

- The breadth of IBM's portfolio adds complexity, impacts customer infrastructure, cost, time and resource requirements. Purchasers should consider the full cost of implementation when negotiating with IBM.
- Reference customer surveys indicate a need for modernized user experiences with mobile capabilities, probably because some customers are using older versions of the Content Navigator mobile client. IBM customers should deploy IBM's latest client tools for the most up-to-date and integrated experiences.
- Buyers of IBM solutions can be confused by the different Watson options, as it can be difficult to understand which options support ECM use cases. Customers should be careful to choose a Watson product that will integrate with their ECM tools.

Laserfiche

Laserfiche (http://www.laserfiche.com/) , which is based in Long Beach, California, U.S., offers a full set of ECM capabilities in on-premises and SaaS offerings. Its on-premises suite includes Laserfiche core content management capabilities, Laserfiche Quick Fields image processing, Laserfiche Records Management and Laserfiche Forms workflow products. Laserfiche Cloud, a SaaS offering hosted on AWS, includes ECM, social content and collaboration, content analytics and workflow, and secure offline document access capabilities. Laserfiche is especially strong in the government and financial services sectors, and it has a growing presence in the higher education, healthcare and manufacturing sectors. Laserfiche is an established and continually evolving vendor with positive revenue growth, customer acquisition and customer retention rates.

STRENGTHS

Laserfiche is a good choice for customers looking for an integrated suite of ECM, records management and workflow capabilities, combined with flexible delivery and deployment options.

Clients, including reference customers, rate Laserfiche's ECM ease of use favorably. Many clients report above-average to excellent experiences when implementing and deploying Laserfiche products.

Laserfiche continues to evolve its product roadmap in support of customers' requirements for faster deployment of business processes. It does so using its Business Process Library forms/workflow templates and integration, via connectors, with LOB applications.

CAUTIONS

Despite improvements, the technical support offered by smaller Laserfiche resellers is not always to the satisfaction of their clients. Customers should look for Laserfiche Gold resellers and Laserfiche certified partners with demonstrable product knowledge.

Laserfiche's cloud services are a small but growing part of its business. Prospective cloud buyers will need to consider whether to buy Laserfiche Cloud directly from the vendor or from one of its cloud resellers.

Brand awareness of Laserfiche outside North America is limited as it expands outside its home region through resellers. Buyers outside North America should verify the skills and abilities of these resellers to ensure they will receive adequate support for Laserfiche products.

Lexmark

Lexmark (http://www.lexmark.com/) , which is based in Lexington, Kentucky, U.S., offers the Perceptive Content platform. Lexmark acquired Brainware in 2012, ReadSoft in 2014 and Kofax in 2015 to add document capture and BPM capabilities to its portfolio. Lexmark focuses on industries including healthcare, higher education and government, and on horizontal-content-centric applications such as accounts payable. In April 2016, Lexmark agreed to be acquired by a consortium led by Apex Technology.

STRENGTHS

Lexmark's document capture solutions, including those of Kofax, extend its reach into case management, analytics and mobile capture.

Lexmark has a wide range of solutions aimed at specific use cases in various industries: for example, customer onboarding in the banking sector, patient onboarding in the healthcare sector and transcript processing in the education sector.

Lexmark's Perceptive Workplace EFSS tool integrates with the Perceptive Content platform to enable mobile access to content stored in Lexmark repositories.

CAUTIONS

- Reference customers and other clients stated that Lexmark did not provide enough support or tools during implementation and did not meet their postimplementation expectations. Prospective customers should review their solution plans and support needs before buying from Lexmark.
- Lexmark's acquisition activity over the past two years appears to have stalled its innovation. Customers looking for a dynamic and proactive product innovator may not find Lexmark a strong candidate.
- A lack of integration between Lexmark's product lines sometimes confuses its clients and end users, though the Lexmark Perceptive Experience may alleviate this problem. Prospective customers should fully understand their ECM needs, to ensure that suitable integration is available from Lexmark for the functional areas they select.

M-Files

M-Files (http://www.m-files.com/) , which is based in Tampere, Finland, focuses its ECM products on three basic areas: document management, quality management and enterprise asset management. It has made strong progress on the basis of its mobile and collaborative capabilities. All M-Files solutions share a common code base and a metadata-driven architecture. Customers can choose on-premises, cloud or hybrid deployment.

STRENGTHS

- M-Files stresses the feature-parity of its three deployment options. This gives customers flexibility in deploying and upgrading their ECM solution.
- M-Files' native mobile app lets users access documents offline. It also supports features such as scanning directly from tablet or mobile phone, electronic signatures, reviewing and approving.
- M-Files emphasizes collaboration. It supports co-authoring through Microsoft Office Online and can use Microsoft OneDrive to share files securely outside the M-Files ecosystem.

CAUTIONS

- M-Files' growth in many vertical sectors has been slow, and the company's presence is limited in regulated industries. It is, however, growing in the life sciences, healthcare and finance sectors.
- M-Files still does business mainly in Europe, though it is gaining traction elsewhere, especially in North America. Its partner networks in other regions are limited, however, which may affect customer support.
- M-Files is predominantly used by midsize organizations. The company has less experience of supporting large enterprises.

Microsoft

Microsoft (http://www.microsoft.com/) , which is based in Redmond, Washington, U.S., delivers a foundational set of collaborative document management capabilities as part of its SharePoint web application technologies. SharePoint is available on-premises as SharePoint Server (a solution built on the Microsoft Windows platform), and as a cloud-based multitenant offering, SharePoint Online, which is typically bundled with Microsoft Office 365 subscriptions. Although they use similar code bases, the two SharePoint products differ programmatically and functionally. SharePoint is tightly integrated with Microsoft Office and Microsoft OneDrive for Business. There are mobile apps for both SharePoint and OneDrive for Business.

STRENGTHS

Microsoft is a global cloud data center provider that can provision Office 365, which encompasses SharePoint Online and its collective services worldwide.

Microsoft delivers a contextual ECM experience — fueled by Delve, a personalized, contextual search interface that ties together documents, conversations and people — that is bolstered by OneDrive for Business, Cortana (a virtual assistant) and a new mobile SharePoint app.

Organizations heavily committed to Microsoft software will benefit from a unified user experience within Office 365, which, following the latest SharePoint Online update, has a more modern and intuitive user interface.

CAUTIONS

Customers often need add-ons and third-party tools to extend Microsoft SharePoint's capabilities with more robust ECM functionality. Buyers with deeper content control and management needs (such as for certified records management, imaging, auto classification, and advanced workflow and administration capabilities) should anticipate a need for add-ons and customization of SharePoint. SharePoint 2016 was released for general availability in May 2016 — after the cut-off point for evaluation in this Magic Quadrant; improvements on SharePoint 2013 may reduce the need for add-ons or third-party offerings.

Hybrid deployment of SharePoint is championed by Microsoft but is not a turnkey solution: organizations may face infrastructure complexities, skills availability issues and costs in bridging SharePoint Server and SharePoint Online. Microsoft has addressed some of these issues with new tools, but customized sites may require additional resources or support.

New features in, and updates to, Microsoft SharePoint Server 2016 are not as deep or as frequent as those to SharePoint Online, making the value proposition for upgrading from SharePoint Server 2013 low where significant customizations and investments have been made. Feature Packs and regular updates will mitigate functional gaps for customers who are not moving to Office 365 (which may be a substantial upgrade for some enterprises).

Newgen Software

Newgen Software (http://www.newgensoft.com/) , which is based in New Delhi, India (and has regional headquarters in the U.S., Dubai, the U.K. and Singapore), sells an ECM suite with five components: OmniDocs, OmniFlow, OmniScan, OmniAcquire and the Newgen Enterprise Mobility Framework Newgen's ECM products can be deployed on-premises, as a SaaS offering in a public or private cloud, or in a hybrid installation. Newgen uses AWS, Microsoft Azure and HP Cloud Maps to deliver solutions for industries, and some cloud solutions for small and midsize businesses (SMBs). Newgen focuses on the banking, financial services, insurance, government and shared-service sectors.

STRENGTHS

Newgen's sharp focus on selected industries has yielded a range of domain expertise and solutions that it leverages to win business across its target geographies.

Seven out of 10 of Newgen's surveyed reference customers considered Newgen's ability to meet the functional requirements of an ECM platform to be excellent. A similar number expressed satisfaction with their implementation.

Newgen's emphasis on BPM and case management makes it a strong choice for transactional content management requirements. Its imaging and integration capabilities complement its suitability for this use case.

CAUTIONS

Newgen's market strategy is based on established ECM solutions that have delivered consistent results, but, given the dynamic nature of the ECM market, prospective clients should check that Newgen's product roadmap suits their business needs.

Newgen relies on its regional offices or remote resources (from its headquarters) for direct sales, implementation and support. Application leaders in charge of ECM should assess Newgen's ability to meet their support and service requirements in their local areas of operation.

Despite good sales growth in India and the Middle East, Newgen's marketing execution is relatively weak. Newgen is often omitted from customers' longlists and shortlists, even when its portfolio would be a good fit.

Objective

Objective (http://www.objective.com/) is based in Sydney, Australia. Its core Objective ECM offering includes document management, records management and workflow modules, which are complemented by solutions such as Objective Trapeze for image processing and capture, and Exalead Cloudview for content analytics, extraction and analysis. Objective offers three SaaS-based services: Objective ECM; Objective Keystone, for document collaboration; and Objective Connect, for EFSS. Objective specializes in the public sector and highly regulated industries in Asia/Pacific and the U.K.

STRENGTHS

Objective has rebranded and repositioned its ECM product line in its latest product versions (10.x) to better meet the changing demands of the ECM market.

Objective Connect, while unknown to the EFSS market, has gained traction with government clients that need secure file synchronization and sharing for intra-agency processes and content governance initiatives.

Objective's growing portfolio of government-focused applications is a competitive differentiator. It positions Objective well in the public sector.

CAUTIONS

Objective's overall prospects are good, especially in the government sector worldwide, but it has not demonstrated consistent year-over-year growth and profitability, especially outside Asia/Pacific and the U.K. Customers outside Asia/Pacific and the U.K. may find it difficult to engage with Objective.

Objective relies on direct sales staff, and on in-house technical support staff for deployment and customer support. Growth could strain these resources, especially for global customers, while Objective realigns its channel strategy. Prospective customers should assess the level of support they need and negotiate with Objective to receive it from Objective's in-house resources.

Reference customers rate the usability of Objective's UI across desktops, tablets and smartphones as average, which suggests that they have not adopted the latest product releases. They should consider upgrading to a more recent version, if user adoption rates are low.

OpenText

OpenText, (http://www.opentext.com/) which is based in Waterloo, Ontario, Canada, is the second-largest ECM vendor in terms of worldwide market share (as of 2015). Its release of OpenText Suite 16 and OpenText Cloud 16, along with its acquisition-fueled growth strategy, means it continues to add technologies to expand its market reach. OpenText's portfolio combines ECM with BPM and customer experience management software. OpenText offers many extensions to its ECM portfolio, including Tempo (an EFSS tool) and the recently acquired Recommind (for information intelligence).

On 12 September 2016, OpenText agreed to acquire Dell EMC's Enterprise Content Division, including the Documentum, InfoArchive and Leap product families.

STRENGTHS

OpenText Suite 16 is a major advance. It has a modern UI and a strong focus on updated experiences for the integrated ECM, BPM and analytics suites. It provides a basis for much more flexible access to data, stronger collaboration and mobile toolsets.

OpenText Cloud 16 can be deployed either as a pure cloud service or in a hybrid environment. OpenText AppWorks enables developers to quickly create and deploy apps to meet use cases beyond the scope of OpenText's foundational offerings.

OpenText maintains a wide portfolio of solutions and services that can meet the needs of many industries, including the legal services, life sciences, government and healthcare sectors.

CAUTIONS

Although OpenText has made progress toward addressing complaints about its support, customers still express frustration with its support process and are concerned about upgrading. Prospective customers should check that OpenText can meet their support requirements.

Customers in the legal-services market will not be able to take advantage of all the new capabilities in the Release 16 offerings until OpenText releases the eDOCS 16 document management solution later in 2016. Clients should identify and address possible feature gaps until then.

Although OpenText has done well integrating acquired technology, an increasingly divided product focus may affect the company's organic growth and long-term strength. Buyers should compare their ECM needs with OpenText's product roadmap.

Oracle

Oracle (http://www.oracle.com/) , which is based in Redwood City, California, U.S., has two main offerings for ECM: Oracle WebCenter for on-premises deployment and Oracle Documents Cloud Service. They offer a wide range of capabilities and deployment options. Oracle WebCenter integrates with many business applications to enable deep back-end content management. Oracle Documents Cloud Service, though it focuses on web content management rather than deeper ECM capabilities, supports mobile, external and extended content services for cloud and on-premises workloads.

STRENGTHS

Oracle has a global reach, an extended partner ecosystem and well-integrated products, all of which benefits its customers. Consequently, Oracle received higher-than-average reference customer scores for satisfaction with its support and services.

Adoption of Oracle's Documents Cloud Service is growing, due to a competitive pricing model that attracts midsize clients in need of ECM capabilities without the operational overhead of an on-premises implementation.

Oracle's deployment options across cloud and hybrid models appeal to a wide range of clients who want to diversify their ECM service delivery in order to achieve cost, performance and globalization goals.

CAUTIONS

Oracle's focus on rebuilding its portfolio for the cloud has delayed its vertical ECM solution development and emerging functionality such as content analytics. Customers who need packaged industry solutions, content analytics or extensions to non-Oracle business process apps may find Oracle's offerings limiting.

The cost of implementing Oracle's on-premises ECM products has been a concern for customers, especially those needing extensive integration with non-Oracle products. Customers should assess the range and types of extensions they expect to need for their ECM solutions, and then budget for professional services.

Oracle's focus on selling WebCenter to large enterprises and existing Oracle clients neglects potential LOB and other business segments. Prospective buyers with vertical or horizontal ECM needs may not understand Oracle's offerings.

SER Group

SER Group (http://www.ser-solutions.com/) , which is headquartered in Bonn, Germany, sells its solutions through subsidiaries and local branch offices across Europe, Asia/Pacific (China and India) and Latin America. It offers a full range of ECM services and solutions, but with a focus on providing a unified platform for content, records management and processes. SER's Doxis4 iECM

Suite is a set of heavily integrated modular components for capturing, archiving and managing content, and for collaboration, workflow and BPM. SER Group offers Doxis4 in on-premises and cloud options, including a cloud-based EFSS module.

STRENGTHS

SER Group has created several separate companies, each with dedicated sales and support resources, in different regions for industries including government, healthcare and banking. Clients in these industries rate this vendor very highly for its expertise.

SER Group's Doxis4 architecture ensures a high level of integration between its constituent parts. It also supports a wide range of client access options.

SER Group's Doxis4 Consolidation Service uses a new migration approach that migrates only the metadata from third-party repositories, together with special storage locators that point to the repository content. It subsequently allows users read-only access to the content via a special storage adapter.

CAUTIONS

SER Group's modular sales model for its platform solution, while convenient for some buyers, appears complex and less transparent in terms of cost for buyers looking for a full suite or solution. Customers considering SER Group's platform should carefully examine all its features and costs.

SER Group has no direct sales presence in North America, though it has expanded its footprint outside Europe into China, India and Latin America. Clients needing support for international operations should check that this vendor can meet their desired SLAs in their regional markets.

SER Group remains relatively unknown outside Europe and the Middle East. It rarely appears on shortlists seen by Gartner, despite being one of only a few European vendors to venture into China and India, and despite having expanded its support for vertical markets.

Xerox

Xerox (http://www.xerox.com/) , which is based in Norwalk, Connecticut, U.S., builds its ECM portfolio around Xerox DocuShare, an established product typically deployed as a departmental solution (enterprisewide deployments are limited in number). DocuShare also enables Xerox to add value to fleet management and multifunction product contracts through managed content services. Beyond DocuShare, Xerox has several strong SaaS offerings aimed at vertical markets — financial services, legal services and mortgage services. These offerings include Xerox Transactional Content Manager (XTCM), Xerox Litigation Services (OmniX, CategoriX and Viewpoint) and Xerox Mortgage Services (BlitzDocs).

STRENGTHS

Xerox is a global ECM vendor with a long history in this market. It can deliver a wide range of applications and services to organizations of all sizes.

Xerox offers a range of cloud-based solutions for tasks ranging from the simple (such as scanning and indexing) to the very complex (including mortgage and litigation services).

Most of the Xerox reference customers we surveyed rated its ability to meet their functional requirements as above average or excellent. This is partly due to its user interface, which spans desktops, tablets and smartphones.

CAUTIONS

Xerox's vertical ECM solutions are few. In addition, Xerox's comparatively limited investment in ECM marketing and sales execution should prompt application leaders in charge of ECM to carefully assess its ability to deliver industry solutions.

DocuShare's bundled Xerox Document Analytics Service provides only content usage analytics. Customers looking for more extensive content analytics and insight capabilities would need to purchase third-party integrated tools or a combination of Xerox-developed technologies, such as CategoriX, FactSpotter and Generic Visual Categorizer.

Xerox relies mainly on a direct, in-house implementation team for its ECM solutions. It has only a limited number of resellers and implementation partners, whose deployment knowhow and experience vary by region. This impacts Xerox's ability to scale implementation services. Application leaders in charge of ECM who are considering Xerox should ensure that appropriate levels of support and service are available in their region(s) of operation.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

None.

Dropped

The number of vendors included has dropped from 20 in 2015 to 15, primarily due to changes to the inclusion criteria (see the Inclusion and Exclusion Criteria section). We made these changes to reflect the dynamics of a mature market that is adapting to a range of internal and external drivers (see the Market Overview section).

The following vendors have been dropped:

Fabasoft. This vendor did not meet Gartner's new criteria requiring at least 10% of a vendor's revenue in this market to come from outside its main region, and delivery of packaged applications to three or more vertical markets.

Siav. This vendor did not meet Gartner's new criteria requiring at least 10% of a vendor's revenue in this market to come from outside its main region, and delivery of packaged applications to three or more vertical markets.

Software Innovation. This vendor declined to participate in our 2016 Magic Quadrant surveys of vendors and reference customers, due to merger and acquisition activity. Gartner therefore relied on a combination of the 2015 data and subsequent publicly available data, which did not give a strong impression of this vendor's ability to meet the inclusion criteria, particularly with regard to integration with business solutions and content analytics.

Systemware. This vendor did not submit a completed Magic Quadrant vendor survey for 2016. It did, however, report that all its revenue comes from a single region (North America), and was therefore ineligible for inclusion.

Upland Software. This vendor did not meet the new criteria requiring at least 10% of a vendor's revenue in this market to come from outside its main region, packaged vertical solutions, content analytics (it offers only usage analytics), and integration with common business and productivity solutions.

Inclusion and Exclusion Criteria

Gartner's changed definition of ECM is reflected in changes to the criteria determining whether vendors appear in this Magic Quadrant. (It is also reflected in changes to the weightings determining the positions of those vendors that are included.) These changes have resulted in a different picture than that of the 2015 Magic Quadrant.

To appear in this Magic Quadrant, vendors had to meet Gartner's criteria for revenue, geographic presence, essential functional components, analytics/BI, packaged apps, integration and extensions, and proof of use in production scenarios. There are six specific criteria:

Revenue: The vendor must have at least $15 million (U.S. dollars) in total revenue in 2015 derived from ECM software, with at least 5% ($750,000) of that revenue derived from cloud-based content management services. Total ECM software revenue includes revenue generated by sales of ECM software and software support and maintenance services. More specifically, it comprises:

License revenue: Revenue from the sale of licenses granting certain rights to use software, according to the type of contract (perpetual use or term license).

Cloud service revenue: Revenue from the sale of cloud services, including business process as a service (BPaaS), infrastructure as a service (IaaS), platform as a service (PaaS) and software as a service (SaaS).

Subscription revenue: Revenue from annual fees for licensed, on-premises software, as well as license revenue for single-tenant managed services (such as hosting services).

Technical support and maintenance revenue: Revenue from contract fees for support services (excluding training) and new versions, updates and upgrades.

- Total ECM software revenue excludes revenue from professional services and the sale of products manufactured by other vendors. Revenue arising from customer requests for software changes is also excluded, even if such changes are subsequently incorporated into the core ECM offering. Revenue increases from software license charges resulting from such changes are considered.

- *Changes from 2015:* The revenue threshold has increased from $13 million in 2015. The requirement for 5% cloud revenue is new.

  Geographic presence: The vendor must market its products and have an established customer base in at least two major regions — for example, North America *and* Europe, the Middle East and Africa (EMEA), or Asia/Pacific *and* Latin America. At least 10% of the vendor's overall ECM software revenue must come from outside its home market — if, for example, the vendor has presence in North America and Europe, and North America is its home market, then at least 10% of its ECM software revenue must come from Europe.

- *Changes from 2015:* The requirement for at least 10% of ECM software revenue to come from outside the vendor's home market is new.

  Functionality: The vendor must supply natively at least four of the eight essential functional components of ECM software (see Note 1); others may be supplied through partners.

- *Changes from 2015:* The list of essential functional components has been revised.

  Integration: The vendor's main ECM product must integrate with at least five business applications (ERP, CRM, HR, productivity suite or other business process applications) either natively or through connectors or add-on components.

- *Changes from 2015:* This criterion is new.

  Packaged vertical applications: The vendor must offer packaged applications to at least three vertical markets.

- *Changes from 2015:* This criterion is new.

  Analytics/business intelligence (BI): The vendor must offer content analytics and/or BI capabilities either natively or through integration with analytics engines.

- *Changes from 2015:* This criterion is new in 2016.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate technology vendors on the quality and efficacy of the processes, systems, methods or procedures that enable them to be competitive, efficient and effective, and that benefit their revenue, retention and reputation. Ultimately, vendors are judged on their ability to capitalize on their vision and their success in doing so.

Ability to Execute measures how well a vendor is able to sell and support its ECM products and services (see Table 1). Vendors are also rated on their financial viability using a standard Gartner methodology that does not equate size with financial stability. Customer feedback and other information about current installed base, customer support and customer satisfaction is also considered, as is information about migrations.

In addition to the core components of ECM software, vendors receive recognition for extended components, such as those for EFSS, enterprise search, digital asset management and web content management, which are critical to ECM. They also receive credit for supporting other functionalities, such as output management and archiving, messaging and email management.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	**Weighting**
Product or Service	High
Overall Viability	High
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Medium
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (October 2016)

Completeness of Vision

Gartner analysts evaluate technology vendors on their ability to convincingly articulate logical statements about the market's current and future direction, innovation, customer needs and competitive forces, and how well they match Gartner perspective. Ultimately, technology vendors are judged on their understanding of how market forces can be exploited to create opportunities for them to add customer value.

Completeness of Vision focuses on a vendor's ability to perceive where a market is going, or where it should go, and to act on that vision (see Table 2). This ability may be demonstrated by, for example, a vendor's use of new sales models, introduction of new products, creation of new markets, or entry into vertical markets with new products. A vendor might succeed financially in the short term without a clearly defined vision or strategic plan, but it will not become a Leader on that basis. A vendor with average vision anticipates change by accurately perceiving market trends and exploiting technology. A vendor with superior vision anticipates, initiates and directs market trends, particularly if it integrates its vision for a broad range of areas and capitalizes on its product and service development.

Part of our assessment involves examining how well each vendor understands changing requirements and market trends. We evaluate vendors on their awareness and adoption of emerging functionality and their technical architecture. Examples of strong vision include the ability to integrate on-premises and cloud repositories, business application interaction, vertical solutions and business processing, collaborative authoring features and content analytics.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	Medium
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	High
Innovation	Medium
Geographic Strategy	Medium

Source: Gartner (October 2016)

Quadrant Descriptions

Leaders

Leaders have the highest combined scores for Ability to Execute and Completeness of Vision. They are doing well and are prepared for the future with a clearly articulated vision. In the context of ECM, they have strong channel partners, presence in multiple regions, consistent financial performance, broad platform support and good customer support. They are very strong in one or more technologies or vertical markets. They deliver a suite of technologies that addresses demand for direct delivery of most (if not all) of the eight essential functional components of ECM software, that is tightly integrated, and that is unique or best-of-breed in each area. Leaders demonstrate enterprise deployments; integration with other business applications and content repositories; incorporation of social, cloud and mobile capabilities; and vertical and horizontal solutions. Leaders drive market transformation.

Challengers

Challengers offer good functionality and have a substantial number of installations, but they lack the vision of Leaders. Nor do they, typically, possess all of the essential functional components of ECM software — or as many as the Leaders. Instead, they use partnerships to fill out their suites, or simply ignore some capabilities or markets altogether. Challengers may lack a broad ECM focus or wide geographical coverage, but they execute well, despite some product or market share limitations.

Visionaries

Visionaries may offer all eight of the essential functional components of ECM software natively. Alternatively, they may supply some of them through partnerships with other vendors. In some cases, Visionaries need to integrate acquisitions into their existing product portfolios. Visionaries typically show a strong understanding of the market and anticipate shifting market forces. They may lead efforts relating to standards, new technologies or alternative delivery models, but they have less Ability to Execute than Leaders.

Niche Players

Niche Players typically focus on specific categories of ECM technology (such as transactional content management technology), midmarket buyers, or supplements to the offerings of business application or "stack" providers. They may be vendors that are still ramping up their ECM efforts, or that have neither the Completeness of Vision nor the Ability to Execute to break out of the Niche Players quadrant. Some may be "boutiques" that serve only certain regions, industries or functional domains.

Context

Changes to ECM technologies and the ECM software market influence changes to organizations' business requirements. This Magic Quadrant reflects these changes by including:

- A refined definition of "enterprise content management" (see the "Market Definition" section)
- A revised list of the essential functional components of ECM products (see Note 1)
- Substantially revised inclusion criteria (see the "Inclusion and Exclusion Criteria" section)
- Criteria and weightings for measuring vendors' Ability to Execute and Completeness of Vision that have been expanded to meet evolving market and technological trends.

These revisions — especially those to the inclusion and evaluation criteria — result in a new lineup and arrangement of vendors in this Magic Quadrant, which should *not* be compared directly with the lineup and arrangement of previous editions.

Recommendations

Application leaders in charge of ECM should:

- Adopt a service management approach designed to orchestrate content delivery within their enterprise.
- Accept that enterprise content is distributed and diverse, not try to put everything into one silo.
- Use digital workplace, cloud, business process and/or data analytics initiatives to evolve their ECM strategy.
- Evolve ECM use cases from purely back-office support to support for how content is used by LOBs and the organization as a whole.
- Strive to gain new insights by using technologies that exploit content to deliver business value.

- Concentrate more on improving content access and content quality, and less on controlling the applications being used.

Application leaders in charge of ECM should use this Magic Quadrant as just one tool to help them select an ECM software vendor and product. It should not be the sole influence on their decision. It is important that they devise selection criteria for their organization's particular functional and technical requirements. It is not wise, for example, to choose a Leader or to reject a Niche Player simply on the basis of either label. A vendor in any one of the four quadrants could be the best choice for particular needs.

They should also consult Gartner's "Critical Capabilities for Enterprise Content Management" (forthcoming, as of October 2016).

In addition, Gartner publications that analyze the field of content management more broadly can help with ECM decision making:

- "Cool Vendors in Content Management, 2016" profiles three vendors that are pursuing new approaches to sharing, delivering and searching for content in a timely manner.
- Application leaders in charge of ECM should use "Toolkit: Sample RFP for Enterprise Content Management" to craft a well-defined RFP when evaluating ECM vendors' software.
- The content management market is being redefined as processes based on digital information replace traditional processes used for paper documents. Application leaders in charge of ECM can use "Market Trends: New Mandates and Market Structures for Content Management Drive Growth in 2015 and 2016" to define new opportunities for their technologies and offerings.
- Two other Magic Quadrants focus on specialized content:
  - "Magic Quadrant for Web Content Management"
  - "Magic Quadrant for Enterprise Video Content Management"
- "Magic Quadrant for Enterprise File Synchronization and Sharing" could also help, as vendors in the EFSS market are adding content collaboration and handling capabilities to their existing products.
- "Midmarket Context: 'From EFSS to ECM: Consider the Spectrum of Needs in Your Content Management Strategy'" observes how application leaders in midsize organizations are seeking alternatives to traditional monolithic ECM products. EFSS tools may meet basic content management needs, but ECM solutions are a better option for compliance requirements in regulated industries.
- "Strategize to Reap the Benefits of Moving Content Management Applications to the Cloud" advises application leaders in charge of ECM to plan strategically for cloud adoption and assess the right cloud deployment model for their organization.

Market Overview

The dynamics of the global ECM market are changing. As a practice, ECM is evolving into a strategic framework for services that target specific use cases and audiences. Meanwhile, the ECM technology market is becoming more purpose-driven, with the emergence of specialized technologies that can integrate tightly with affiliated content systems.

This evolution creates new opportunities and options for application leaders in charge of ECM, especially those engaged in digital business initiatives that:

- Disrupt monolithic ECM solutions, which no longer meet organizations' fast-changing content requirements
- Demand increasingly distributed, more diverse, smarter and more contextualized content and use cases
- Emphasize business-driven requirements to draw on LOB content management investments

Gartner has responded to these new dynamics by refining its definition of ECM to emphasize a more flexible approach and by stiffening the criteria that determine whether vendors qualify for inclusion in this Magic Quadrant. The changes to these criteria make it inadvisable to directly compare vendors' inclusion and positioning on this Magic Quadrant with 2015's Magic Quadrant.

The ECM market grew by 9.4% in 2015 to a worldwide revenue total of $5.9 billion in constant currency. That compares with a 2014 growth rate of 6.2% and a worldwide revenue total of $5.4 billion. The top-three vendors lost market share in 2015, while their smaller rivals gained. More notably, best-of-breed, local and multicountry vendors accounted for 33.8% of the market in 2015, up from 27.9% in 2013. For more details, see "Market Share Analysis: Enterprise Content Management, Worldwide, 2015."

Vendors are also responding to the new market dynamics. In 2015, several of the larger ones announced strategic plans and actions to recast their ECM approach, including buyouts, spinoffs and a willingness to sell off software assets. A restructuring of the market is therefore likely.

Buyers' interest in cloud-based models increased in 2015. Cloud offerings accounted for over 8% of the market's revenue, up from approximately 5% in 2014. These offerings vary widely in their completeness and geographic availability.

Another important trend is for EFSS vendors to add a range of content management capabilities to their existing offerings. These capabilities are often good enough for specific enterprise use cases. For additional information, see "From EFSS to ECM: Consider the Spectrum of Needs in Your Content Management Strategy."

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Small & Midsize (<1000 Employees) Context

Market Differentiators

This note creates a midmarket context for Gartner's 2016 "Magic Quadrant for Enterprise Content Management" by viewing it from the standpoint of midmarket IT leaders. The goal is to help them differentiate enterprise content management (ECM) solutions, determine which ECM solutions can affordably meet the needs of the business and identify vendors that have a proven track record of being a good fit for midsize organizations.

Midmarket enterprises have similar content- and process-centric requirements as larger enterprises, but usually lack the latter's resources to deploy and manage complex ECM tools. In order to obtain some benefit, midmarket IT leaders often start with one component or use case of ECM (for example, document management or records management) and then try to expand ECM usage and functionality over time.

Midmarket companies select ECM systems that can be implemented, managed and used with minimal resources, rather than systems with maximum functionality. This criterion accounts for the high interest by the midmarket in cloud-based ECM services, which have the potential to deliver ECM capabilities at a lower price, quicker, and with more functionality than on-premises licensed software. This simplicity and affordability (between $15 and $50 per user/per year) create a huge opportunity for midsize enterprises to improve the productivity of every employee in their organization.

Considerations for Technology and Service Selection

When selecting an ECM vendor, IT leaders in midsize organizations should evaluate four key variables:

Vendor affordability: There is a surge of ECM products and services at appealing price points for midsize enterprises and, as the number of cloud-based software as a service (SaaS) providers grows, more vendors are specifically targeting the midsize market. In cases such as SaaS solutions, a common pricing model is per user/per month, allowing for flexibility as employees come and go from the organization, and more controllable operational expenses.

Recommendations:

Evaluate affordability by analyzing per-user subscription costs, with low-to-high estimates of user growth over one to three years, but also by analyzing additional cost variables.

Require vendors to demonstrate how they will segment their solutions for different audiences, purposes and processes.

Vendor impact on IT and business resources: Large, traditional ECM products can be demanding in terms of the human capital, and the effort needed to implement, configure and maintain them and their related infrastructure. Cloud or hybrid (on-premises plus cloud) architectures can help reduce those demands by simplifying the implementation needs, and shifting the burden of managing the day-to-day hardware maintenance and certain aspects of application maintenance back to the vendor.

Recommendation:

Evaluate the ability of vendors and resellers to offer additional operational and implementation support, either as part of the purchase or with cloud-based services.

Vendor usability: In general, ECM user experiences are becoming more modernized due to the consumerization of enterprise technologies. Updated experiences let users engage more easily with the ECM solution, become more productive faster, and minimize end-user training and the need for IT involvement.

Recommendation:

- Evaluate the ECM user experience for each vendor, with a preference for good integration with other tools (such as productivity suites), mobile applications, and line-of-business solutions (or other commonly used business tools).

Extended functionality: ECM vendors increasingly offer extended functionality out of the box, which lets organization apply these tools to other business use cases beyond ECM. This lets midmarket IT leaders support several use cases with one vendor.

Among these extended functions are:

- Enterprise file sync and share (EFSS) functionality, which facilitates employees' ability to share documents easily outside of the enterprise.
- Collaboration tools, which allow groups of employees to work together on documents within the ECM product.
- Mobile applications, which enable fast, easy access to enterprise content from mobile devices.

Notable Vendors

Vendors included in this Magic Quadrant Perspective have customers that are successfully using their products and services. Selections are based on analyst opinion and references that validate IT provider claims; however, this is not an exhaustive list or analysis of vendors in this market. Use this perspective as a resource for evaluations, but explore the market further to gauge the ability of each vendor to address your unique business problems and technical concerns. Consider this research as part of your due diligence and in conjunction with discussions with Gartner analysts and other resources.

Box

Clients looking for basic content management needs with a focus on mobility and external collaboration should consider Box. The company is traditionally viewed as an EFSS vendor, but it has made several functional changes to expand its document management and content handling tools in classic ECM directions. Features such as tagging and metadata, life cycle management with retention and legal hold, content protection across devices, applications and storing at-rest content in multiple regions have been added. These enhancements make Box a viable option for organizations looking for basic content management tools. These capabilities would be in addition to Box's already-mature EFSS and collaborative tools. Box's U.S.-based cloud data centers are compliant with FINRA, HIPAA and FedRAMP standards, making it attractive for midsize regulated industries. Potentially, Box can provide ECM and EFSS capabilities with less time and cost investments than a traditional ECM tool. Because the service is cloud based, it minimizes the impact on IT resources. Customers can also leverage Box's partnership with IBM to provide more traditional ECM functionality beyond Box's basic content management services.

DocuWare

Midsize organizations with offices in both the U.S. and Europe looking for an ECM tool with flexible implementation options should consider DocuWare. The vendor has shown strong growth in the midmarket in both areas, making it a strong option for midsize organizations that are geographically dispersed. The product is available both as an on-premises solution

(DocuWare On-Premises) and as a cloud service (DocuWare Cloud). Both versions are competitively priced for the midmarket. Included with the cost of the DocuWare Cloud service is approximately 20 modules that can extend the solution's functionality beyond core ECM use cases. Modules include mobile document management functionality, workflow, Microsoft Outlook integration, and easy integration with third-party applications. By utilizing these extended functions, DocuWare can support other use cases, giving organizations the option to consolidate solutions.

Laserfiche

Midsize enterprises that prefer an on-premises ECM solution, and are looking for strong records management functionality, should consider Laserfiche. The vendor predominantly sells to midsize organizations. It is the only product certified to DoD 5015.2 on this list, making it a strong candidate for midsize organizations in regulated industries that must adhere to stringent records management practices. Laserfiche Cloud offers comparable ECM capabilities via the cloud, potentially making it a good fit for industries that prefer the SaaS model. Beyond core ECM functions, Laserfiche also provides collaboration and content analytics tools that can extend functionality into other areas of the business, such as marketing research, contract management and other business processes.

M-Files

M-Files is a good fit for midsize enterprises that want traditional ECM technology with modern collaboration tools. Its customers are predominantly midsize enterprises giving the vendor an awareness of the resources and budgetary constraints in the midmarket. That makes M-Files a strong guide for midsize enterprises that are new to ECM. M-Files offers on-premises, cloud and hybrid implementations, allowing for flexible options based on the client organization's preferences. Beyond core ECM functionality, M-Files offers mobile technology with integrations to Microsoft mobile Office suite, along with an API set that creates connections to both on-premises and cloud repositories. This combination enables "work from anywhere" capabilities and eliminates the need to acquire a traditional EFSS solution, allowing midsize organizations to standardize on one solution.

Objective

Midsize organizations located in Asia/Pacific should consider Objective, which has a strong showing of midmarket customers in the Asia/Pacific region compared to others cited in this report. The vendor offers on-premises and SaaS ECM (Objective ECM) and cloud-based (Objective Connect and Keystone) solutions allowing for flexible implementation options to meet the needs of different types of midsize organizations. Objective has a holistic and intuitive user experience, providing parity across platforms, making it easy to use with minimal training. The vendor also has a strong partnership with Microsoft and can extend Objective's governance functionality into SharePoint and Office 365 to allow for stronger oversight of those products.

Oracle

Oracle's Documents Cloud Service offers midsize organizations a cost-effective cloud-based ECM toolset. This solution is showing strong growth in the midmarket. This service has an aggressive pay per user/per month price structure to meet the financial means of midsize organizations. Included in the price is a storage quota of 500GB, shared across all users, extending on-premises storage capacity. Also included are collaborative tools that support conversations and web presence with other users of the service. This service integrates with Office 365 and can be upgraded to include workflow, intranet and web content management services.

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Asia-Pacific Context

Market Differentiators

The Asia/Pacific (APAC) region represents a mosaic of nations with distinct and diverse heritages, languages and cultures, but they can be divided into two broad subgroups:

- **Mature APAC:** Includes Australia and New Zealand (ANZ), Japan, Korea, and Singapore.
- **Emerging APAC:** Includes China, Hong Kong, Taiwan, India and South East Asia (SEA: Malaysia, Indonesia, Brunei, Philippines, Vietnam, Thailand, Cambodia, Laos and Burma).

It is easily the fastest-growing market for enterprise content management (ECM) solutions. In 2015, the worldwide ECM market grew modestly at 9.4% overall (when measured in constant currency). But APAC as a combined region showed the highest growth at more than 13%. It outstripped Europe, which grew in the mid-single digits and North America, which grew at just over 8% (see "Market Share Analysis: Enterprise Content Management, Worldwide, 2015").

The five-year compound annual growth rate (CAGR) for APAC (excluding Japan) is forecast to exceed 13% through 2019. For the emerging APAC members, the CAGR from 2014 through 2019 is 19.5%, the highest five-year figure for all regional ECM segments (see "Market Trends: New Mandates and Market Structures for Content Management Drive Growth in 2015 and 2016"). These growth rates are closely aligned to revenue of the ECM vendor landscape.

For both APAC subgroups, ECM solutions are most sought-after in key vertical industries such as communications, financial services, government, healthcare, insurance, life sciences and manufacturing. Regulatory compliance is one market driver, but these industries are so competitive that capturing a consistent, accurate and single view of the customer can mean discovering a new revenue opportunity or beating the competition. Pharmaceuticals and life sciences are typical of fast-developing vertical industries in mature APAC members.

Some industries in the emerging APAC subgroup are leapfrogging more-mature APAC members in adopting ECM.

There are two drivers for this trend:

- A focus on real-time analytics without the baggage or legacy of any existing ECM solution (see "Predicts 2016: Have Content Your Way").
- Demand for integrated analytics and ECM is fast becoming one of the key selection criterion. This demand reflects the intent to drive forward into the era of an algorithmic business supported by a digital workplace.

Emerging APAC continues to present two pertinent challenges:

- Bandwidth limitations, particularly in remote locations. Modernization of telco infrastructures (such as Digital India's initiatives) will improve this.
- Enforcement of an ECM discipline, which is often an uphill battle because of the absence of governmental policy or regulation.

In the emerging APAC subgroup, ECM investments continue to focus on major initiatives involving the digitization of massive amounts of paper, archiving and implementing a life cycle of content governance. Mature APAC, on the other hand, is in a race to be at the leading edge of ECM because of the hypercompetitive nature of the industries therein.

Industry, regional or global regulations and compliance requirements (such as VERS, HIPAA, FATCA and Dodd-Frank) are a huge driver of APAC's rapid adoption. In Australia and New Zealand, other drivers are the extensive consolidation from older records management systems into new offerings and ECM initiatives in combination with Microsoft SharePoint Server. There is also increasing use of enterprise file synchronization and sharing (EFSS), either as a stand-alone offering or in combination with existing ECM systems.

One consistent trend across all of APAC is the rapid adoption of the latest smartphone or phablet devices, sometimes even before they hit the local market. This device adoption, coupled with an inherent culture of collaboration, leads to demand for ECM vendors to add consumerlike content capabilities, such as creating, editing, approving or sharing documents while on the go. ECM vendors in APAC are very aggressive in offering these smarter content capabilities and technologies that realize a digital workplace vision before other global regions.

Considerations for Technology and Service Selection

Organizations in the APAC region are just as demanding (if not more so) than their North American or European counterparts when it comes to their ECM expectations being met. When selecting an APAC ECM vendor, ECM leaders should place a high emphasis on the following six core criteria:

1. Local Presence of the Principal Vendor

Many North American and regional vendors that are new to APAC sell their solutions indirectly via a distribution channel partner or a system implementer to test the market. This approach helps the vendor to establish a new market, but it presents a challenge to client organizations when issues arise from product bugs or limitations. In some cases, lack of a strong local presence may even bring the ECM implementation to a halt. Without a local office — staffed with a sales force, postsales support staff, or a professional services team — vendors in effect relinquish ownership of their customers to a third party. A close relationship is of the highest priority to an ECM leader, otherwise a vendor that is out of sight is out of mind.

Recommendation:

Look for vendors that have direct sales, support and professional services offices in the local region or country.

2. Local Postsales Support and Established Partner Alliances

Supporting your organization's ECM initiative in APAC requires added attention, unlike the more-homogeneous regions such as North America. The vendor's help desk center should be staffed with native speakers of the local language that can support the relevant time zones. Ensure the vendor has a roster of established partner alliances that have in-depth expertise in the ECM product offering and value-added services in industry-specific consulting. Find out if the vendor has a technology ecosystem with prebuilt integration to third-party tools (such as capture or digital signature products) to supplement the ECM solution. Such integration capabilities will help alleviate the need to buy and then assemble on your own (or with another system implementer) a piecemeal integration.

Recommendation:

Look for vendors that have localized support offices with certified staff who are native language speakers as well as an established local partner alliance network.

3. Extended Support for Product Evaluation Cycles

Inherent in the IT culture of the APAC region is the need to evaluate an entire solution offering (not just a single product) for extended periods, reaching to months or even years. Choosing the right solution ranks higher than having to spend a longer time evaluating it. It is almost a given that ECM leaders in APAC will call for a tender evaluation, issue a request for proposal (RFP), or request a proof of concept (POC) or pilot project. Such an approach requires a greater amount of close vendor support, not only during evaluation, but also during implementation and postproduction. The vendor, solution implementer or consulting partner and your organization are in a partnership for the foreseeable future of this ECM deployment. Such tight-knit partnerships often result in greater longevity for the ECM platform, unless the organization was left in the lurch when encountering a grave problem.

Recommendation:

Look for vendors and consulting or implementation partners that will partner with customers throughout the life cycle of evaluation and ongoing deployment of ECM tools.

4. Access to Local Case Studies and Organizational References

APAC ECM leaders increasingly demand local customer references. To be useful, such references must be live implementations that are representative of their specific industry and business scenario. These customer contacts should ideally be willing to give tours of their ECM production environments.

Recommendation:

Look for vendors that offer referenceable case studies and client testimonies.

5. Support for Local Standards and Regulatory Requirements

Compliance to regulatory requirements is often a huge driver for the adoption of ECM in APAC. These requirements are diverse, and include the need for in-country data centers, and support for governmental standards of data sovereignty (especially in China) and records management (as in Australia's Victorian Electronic Records Strategy [VERS]). Such standardization efforts are also driven in part by the need for greater transparency among the governments across the countries covered by the organization Asia/Pacific Economic Cooperation (APEC).

Recommendation:

Look for ECM solutions that support local geographic standards, data sovereignty and regulatory requirements.

6. Language Support Across the Multibyte Character Sets

Many organizations take the support of multibyte character sets (Chinese, Indian, Japanese, Korean and Thai, for example) for granted. Such support implies having software capable of displaying its innate functionality and of accepting language inputs in the format. This is an immensely important criterion given that almost all countries in APAC depend on multibyte character sets. All too often, support is a Tier 2 (or sometimes Tier 3) language pack supported by the ECM platform. Increasingly, the ability to automatically translate the content within the ECM package, or even provide speech to text (or vice versa) in your preferred language, has become the new norm.

Recommendation:

Look for products that support multibyte character sets and translation capabilities (including speech to text) in the region's preferred languages.

Notable Vendors

Vendors included in this Magic Quadrant Perspective have customers that are successfully using their products and services. Selections are based on analyst opinion and references that validate IT provider claims; however, this is not an exhaustive list or analysis of vendors in this market. Use this perspective as a resource for evaluations, but explore the market further to gauge the ability of each vendor to address your unique business problems and technical concerns. Consider this research as part of your due diligence and in conjunction with discussions with Gartner analysts and other resources.

The vendors listed below have a prevailing presence in APAC with adoption by local organizations. Apart from these vendors, which are derived from the "Magic Quadrant for Enterprise Content Management," APAC organizations often use vendors that fall in the "Magic Quadrant for Enterprise File Synchronization and Sharing" for the "management" of documents. EFSS solutions are not equivalent to ECM solutions. EFSS solutions may store the documents or enable them to be shared, but these solutions typically are not "managing" them in terms of versioning, retention management or workflow.

Alfresco

Alfresco has local presence with offices in Sydney, Australia and India. A significant part of the company's APAC business is concentrated in the ANZ region while being supported by local partners in Japan, the Indian subcontinent and Indonesia through its alliance network with local system implementers. While Alfresco's heritage has been to focus on the government industry, its deployments in APAC are across a mix of industries but typically for document or process management.

Dell EMC

Dell EMC has a presence in every APAC country coupled with a strong representation of channel partners and system implementers. In APAC, it is mainly involved in capture and archiving. Documentum and ApplicationXtender, the company's ECM offerings, are typically used in financial services, healthcare and energy organizations, but also as part of a larger solution deployment offered by Dell EMC's implementation partners. On 12 September 2016, OpenText agreed to acquire Dell EMC's Enterprise Content Division (ECD), including Documentum, InfoArchive and Leap product families.

Hyland

Hyland has local presence in Australia, Japan and Singapore. OnBase, the company's ECM suite, while developing momentum in APAC, has made progressive headway in the insurance industry (mainly in ANZ and Malaysia) and healthcare (mainly in Australia and Singapore). Hyland's strength here lies in the digitization of paper documents, which is still a requirement for those industries. The accelerated improvement of such processes in combination with the integration of core applications (such as Guidewire and Epic) has yielded a significant business benefit to these organizations.

IBM

IBM is a global vendor with a footprint in every APAC country coupled with a strong representation of channel partners and system implementers. While its IBM ECM Solutions are often seen as a portfolio for large enterprises, much of IBM's business for the IBM Content Foundation product in APAC is aligned with the small and midsize business segment, and is often partner-led. Apart from SEA, IBM has developed the strong reputation necessary to be successful in regions such as China, India and Japan.

Laserfiche International

Laserfiche's APAC headquarters is in Hong Kong, with an office in Shanghai, China. The company's solution portfolio is one that is representative of the requirements of the APAC region. Such requirements particularly include capture and imaging but, more importantly, ease of deployment is placed at the highest priority in APAC. The company's cost-effective licensing options are also beneficial to organizations in this region, especially because of their typically lower budgets.

Lexmark International

Lexmark (previously Perceptive Software) has local offices in Australia, China and Singapore. A consortium led by Apex Technology of China acquired Lexmark in early 2016, and the Lexmark brand has been strengthened with the acquisition of Kofax, which is better recognized in China and Singapore. The company's solutions are often used in the digitization of paper documents, and in the automation or streamlining of processes such as accounts payable, which is of great value to the emerging APAC regions.

Microsoft

Microsoft is no stranger to APAC, with local representation across the region, as well as a lineup of certified channel partners and system implementers. Use of SharePoint for ECM varies from widely used in ANZ and SEA, to growing adoption in China, India, Japan and Korea, which are countries that tend to favor locally developed solutions. Numerous certified SharePoint implementers based in India offer services for organizations in other regions, particularly in SEA.

Newgen Software Technologies

A significant number of Newgen's ECM deployments in APAC stem from India, given its strong heritage in its home region, particularly in government and financial services. Much of the company's work is focused on purpose-built solutions that center mainly on two of its products — OmniDocs and OmniFlow. Since Newgen's expansion with an office in Singapore supported by a partner network, the company has gained visibility with deployments in SEA mainly in Singapore, Philippines, Indonesia and Vietnam.

Objective

Objective is headquartered in Australia with APAC offices in New Zealand and Singapore. Client engagement for sales and professional services is typically direct. The major concentration of its clients are in ANZ, and government institutions there have benefited from a solution offering that was born out of a heritage of compliance and accountability. Objective's foray into secure content exchange and prepackaged repository independent industry solutions is also worth noting in this APAC listing of ECM vendors.

OpenText

OpenText is represented in ANZ, China, Hong Kong, India, Japan, Korea and Singapore. OpenText Content Suite Platform appeals to APAC ECM leaders who are under various legal jurisdictions because the platform meets many governance, compliance and risk mitigation requirements. OpenText's exclusive partnership with SAP will be of benefit to organizations requiring a close-knit integration between SAP's work processes and those of an ECM package. The largest concentration of its deployments are in ANZ with others in China and Indonesia. On 12 September 2016, OpenText agreed to acquire Dell EMC's Enterprise Content Division (ECD), including the Documentum, InfoArchive and LEAP product families.

Oracle

Oracle has a footprint in every APAC country coupled with a representation of mainly global system implementers. Oracle WebCenter Content has a good mix of deployments across APAC with much lesser deployments in the SEA region. Oracle's ECM initiatives are often built on a complete WebCenter product suite, and typically center on the digitization of content, automation of document workflow and archiving.

SER Group

SER is one of very few European ECM vendors that is represented in the APAC region with offices in China (Shanghai) and a recent addition in India (New Delhi). While lesser known in these respective regions, SER's Doxis4 is poised to address two essential customer demands: life cycle management of documents (especially in emerging APAC) and content- and process-centric workflows, in all APAC segments.

Fuji-Xerox

Xerox is represented in Asia by its joint-venture company Fuji-Xerox. It is headquartered in Japan with operations in ANZ, China, Taiwan, Hong Kong, Korea and SEA. Its ECM product DocuShare (licensed from Xerox) is a core part of many of its innovative solution offerings across APAC. Fuji-Xerox is a system integrator that focuses on document process outsourcing, digital printing and consultancy services. Fuji-Xerox also offers services for HP (HP Trim), Microsoft (SharePoint) and is the largest partner for Dell EMC (Documentum).

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Europe Context

Market Differentiators

This report describes the key issues and requirements that clients should think carefully about when evaluating products and services related to enterprise content management (ECM). It also describes a number of vendors with specialist products and experience particularly suited to aspects of the European market.

The European ECM market actually shrank by 6.8% during 2015, compared to growing 6.3% in the U.S. and 1.4% worldwide. Within Europe, there were differences: many nations including Germany and France showed a market decline of more than 10%. Only a small number of markets showed any growth, for example, the U.K. market grew just 2%. Most Western European economies have not yet returned to the ECM investment levels seen before the 2009 financial crisis.

The recent U.K. referendum decision to leave the EU is likely to create further uncertainty about U.K. IT investments, which Gartner expects to be negative during 2017 (see "Smarter With Gartner: Understand the Brexit Impact on IT" (http://www.gartner.com/smarterwithgartner/understand-the-brexit-impact-on-it/)). The impact of Brexit on the IT spending of other European nations is unknown, but a further slowdown would not be surprising, thereby potentially limiting the growth of investment in this market over the next two years. In the longer term, Brexit may actually fuel IT spending as organizations reshape their physical and IT operations in reaction to Brexit's impacts and opportunities.

Nonetheless, ECM remains an important issue for European organizations, especially in Western Europe where a mature market has few greenfield opportunities for ECM vendors. The continued consumerization of IT creates a demand for innovations that enhance the usability and adoption of existing ECM platforms. There is sustained interest in industry-specific ECM solutions in verticals such as financial services, life sciences and construction. Cloud-based ECM is also a major consideration for European organizations that are evaluating the extent to which they embrace public cloud offerings and cloud office, while maintaining control of sensitive content and adhering to European and national regulations and legislation.

Other key market differentiators are:

Language: Europe has many different languages, not all of which are supported by the large global vendors. This gives regional or national vendors the opportunity to concentrate on meeting the demands of local markets.

Recommendation:

Clients should ensure that the levels of localization are appropriate for their business needs and cover all aspects of the solution including the user interface, documentation, training and support services.

Regulations and standards: The need for adherence to standards and regulations varies across Europe by geography and industry sector. There is no Europe-wide regulation for records management, but MoReq2010 provides a standard that is used by many organizations as a starting point in their specification of ECM capabilities. Local specializations also exist within individual countries. This compliance web creates opportunities for vendors to target specific regions and certifications. Data residency is another key concern for any cloud-based services, particularly since the European Court of Justice ruling invalidating the 2000 "safe harbor" agreement covering transfer of personal data between the EU and U.S. European vendors will provide in-region residency for cloud hosted data.

Recommendation:

Clients should ensure that vendors understand the specific regulations that apply to their country and sector, and that vendors can offer reference clients. Just because a vendor has a European headquarters does not automatically mean it has the necessary expertise.

Localized Application Portfolios: Organizations rarely deploy ECM in isolation; instead they require integration with other applications for operational or migration purposes. Small and midsize businesses (SMBs) often have a range of applications that focus on common business processes local to their sector and region (a social security process management solution for U.K. local government, for example). Vendors that have a good understanding of, and experience with, these specialized applications can help clients implement and integrate their ECM capabilities more efficiently, and with less risk. Large organizations often have application portfolios consisting of common, international, enterprise software products that are very familiar to the big ECM players (such as Oracle or SAP) so specialist integration knowledge is less of a differentiator. The same is true for migration. Local European vendors are likely to understand the best practices and the pitfalls in migrating from more niche localized applications, having done it before. By contrast, global ECM vendors may be primarily skilled in migrating customers only from the ECM software of their largest competitors.

Industry and area focus: ECM software vendors that focus on the European market often specialize in one or more industries, or a particular political or linguistic area. For example, some vendors focus on the healthcare sector in a single country, while others concentrate on the multiple-country German-speaking area (Germany, Austria, parts of Switzerland and the Alsace region of France).

Focus on open source: There is a growing focus on open-source software within the European market, particularly within the public sector. The EU has an equal-treatment policy for open-source solutions for internal systems, and there is a general preference (although not a mandate) from the U.K. government digital services for open-source software.

Considerations for Technology and Service Selection

The vendor's product focus: Although the global vendors in "Magic Quadrant for Enterprise Content Management" cover all aspects of ECM, local European vendors may cover only parts of it, often in response to specific client use cases. They may leave out aspects like analytics, enterprise search, process management and social components, and instead focus on highly specialized solutions to meet local regulatory requirements or business processes.

Recommendations:

Evaluate the vendor's capabilities to meet your specific business use cases and the specific regulatory requirements for your geographies.

Strategize and forecast the content services you are likely to need in the future to support planned business growth, expansion into new markets and new types of content for digital business initiatives.

The vendor's local support resources: If the ECM project needs to meet international standards, or has the potential to be rolled out right across Europe or other world regions, a local German, French or Italian vendor might not have the necessary local support resources outside its main market(s). Equally, though, international vendors may also lack local support, or may work through partners with limited expertise. A distinguishing feature of the European market is that many customers still prefer to receive local, face-to-face support.

Recommendation:

Require vendors and implementation partners to demonstrate their capacity, scope and manner of offering regionalized product and customer support, the local languages spoken by support staff, and their effectiveness in face-to-face engagement.

The vendor's financial viability and track record: Over the past few years, large ECM vendors have acquired strong regional competitors (or system integrators/consultancies) to increase their presence in a specific geography or vertical market. These acquisitions could lead to the discontinuation of some codebases or product lines. If so, clients could be left facing an end-of-life situation for their product and a costly migration.

Recommendation:

Examine a vendor's financial viability, growth trends, track record of winning new business and visibility in the relevant market or industry to ensure the vendor is viable.

Local vendors' advantages over larger, more generic global vendors: In particular markets, local vendors may:

- Have strong knowledge of local conditions and regulations, which can result in superior support.
- Have a deeper understanding of local or business-specific applications with which the ECM solution must integrate. This expertise can result in a faster, more-effective implementation and reduce risk.

Speak their clients' local language, enabling their development teams to more quickly and efficiently work with customers to create complex customizations or meet other specialized requirements.

Have cloud data centers within a single European country's borders, which makes it easier for them to comply with local or national data protection and privacy legislation.

Recommendations:

Research all relevant national regulations and standards that your ECM solution must address in your markets

Work with ECM vendors to ascertain whether adherence to equivalent U.S. or international standards is sufficient, or if additional regionalized compliance is required.

Require vendors to demonstrate, if needed, how they will support regionalized standards, data storage and regulatory compliance.

Notable Vendors

Vendors included in this Magic Quadrant Perspective have customers that are successfully using their products and services. Selections are based on analyst opinion and references that validate IT provider claims; however, this is not an exhaustive list or analysis of vendors in this market. Use this perspective as a resource for evaluations, but explore the market further to gauge the ability of each vendor to address your unique business problems and technical concerns. Consider this research as part of your due diligence and in conjunction with discussions with Gartner analysts and other resources.

Alfresco

Alfresco is a vendor of open-source ECM products with headquarters in the U.K. and U.S. It sells worldwide, but has a particularly strong presence in France, Germany, Italy, Spain and the U.K. Alfresco concentrates on the financial services, national government and healthcare sectors, in which it competes both directly and via partners. Its strength lies in the open source nature of the platform (of particular importance in the U.K. public sector) and its many different connectors.

Everteam

The majority of Everteam's users are based in Europe. It covers a wide variety of on-premises use cases. A cloud version of its software can run in any cloud provider that the client chooses, allowing for flexibility for those EU nations with strict policies about data storage locations.

Fabasoft

Fabasoft, which is headquartered in Austria, offers on-premises and cloud-based ECM and business process management (BPM) solutions, as well as a private cloud ECM solution delivered as an appliance. The products are ECSA V3.0 and MoReq2 certified. Its strongest focus is on case management for local and national government, and regulated industries including financial and pharmaceutical businesses. It also offers the Mindbreeze enterprise search and content classification product as a boxed, turnkey solution. Fabasoft offers browser-based user interface for end users as well as administrators, mobile support, integrated ECM and BPM modules, and custom case management applications and business processes.

M-Files

M-Files is a Finnish vendor that has had strong growth across Europe over the last year. The vendor offers its ECM product in on-premises and cloud versions, with strong integration between the two environments. It can support very granular hybrid deployments. Its use of metadata for all aspects of its infrastructure, from security to navigation, gives it a lot of deployment flexibility. M-Files pursues localized certifications in many European countries.

SER Group

SER Group headquarters is in Germany with international subsidiaries throughout Europe, and is used predominantly for records management, compliance and process applications. Solutions are available installed with Doxis4 iECM suite, or as a cloud service with Doxis4 Cloud. SER Group is a strong partner for European organizations. Doxis4 Cloud is partially managed in Portugal and runs fully on Amazon EC2, but can be hosted in other jurisdictions according to customers' needs. SER Group meets many country specific standards found in European nations.

Siav

Siav has good coverage and expertise in many southern European countries. Based in Italy, it focuses on digital mailroom, case management, capture solutions and also workflow and invoice management with ERP integration, as well as document portals. It also offers a solution for collaboration, as well as file synchronization and sharing, called BlueDrive. Siav is very strong in government and provides ECM solutions to Italian government organizations and other multinational organizations headquartered in Italy. It has a relatively small number of clients outside its core market, but continues to show up on shortlists for regional use cases.

Evidence

Sources for the analysis in this Magic Quadrant include:

- A Gartner survey of vendors' reference customers, conducted in March 2016, for which there were 105 respondents (at least five per vendor)
- Feedback from discussions with users of Gartner's client inquiry service
- Vendors' responses to questionnaires specific to this Magic Quadrant
- Interviews with vendors' channel partners
- Interviews with vendors' customers
- One-on-one briefings with vendors
- Generally available information, news reports, and data in financial and industry publications
- Discussions with Gartner analysts in relevant Gartner research communities
- Gartner managers' critiques
- Reviews by Gartner analysts
- Vendors' factual reviews

Note 1
The Eight Essential Functional Components of ECM Software

In the following list, the relative importance (weighting) of each component is shown by a percentage in parentheses, and compared with the 2015 weighting (only vendors that offer natively four or more of these components were considered for inclusion in this Magic Quadrant):

- **Document management** (20%, unchanged from 2015) — For check-in/check-out, version control, security and library services for business documents. Advanced capabilities such as compound document support and content replication score more highly than basic library services. Extended capabilities include digital rights management (DRM) and metadata-driven views of documents, rather than strict taxonomy-based structures. Our scoring also values capabilities for mobile user experiences; integration with common productivity applications; access to, and version management, in noncore repositories (such as when managing documents in a file share, from mobile devices or in a cloud environment); and the ability for IT staff to customize the user experience.

- **Records management** (10%, unchanged from 2015) — For long-term archiving, automating policies for retention and compliance requirements, e-discovery support, and ensuring legal, regulatory and industry compliance. The minimum requirement is an ability to enforce immutable retention of critical business documents, based on a records retention schedule. Higher ratings are given for certified compliance with standards such as the Department of Defense (DoD) Directive 5015.2-STD, the Victorian Electronic Records Strategy (VERS) and Modular Requirements for the Management of Electronic Records (MoReq2010).

- **Image-processing applications** (10%, down from 15% in 2015) — For capturing, transforming and managing images of paper documents. The reduced weighting reflects the maturity of image-processing technologies and their use within enterprises. We subtracted five percentage points from this functional component's weighting to make room for emerging content capabilities. For this function, the vendor must offer:

  - Document capture (scanning hardware and software, mobile device capture, optical and intelligent character recognition technologies and form-processing technology) performed either using native capabilities or through a formal partnership with a third-party solution provider.

  - The ability to store images of scanned documents as a native (nonrendered or converted) content type in a folder, and to route them through an electronic process. Extra credit is given for vertical or horizontal solutions, whether delivered directly or through partners.

- **Social content/collaboration** (15%, unchanged from 2015) — For document sharing and file synchronization among devices (including mobile devices), and for collaboration and coordination among teams, for project management, extranet and knowledge management use cases. We also evaluate concurrent and co-authoring interfaces, office suite integration, blogs, wikis, and support for social online interactions such as commenting, rating and tagging. The volume of social content — externally shared and collaborative content, mobile app content, comments, video, images and audio — is growing rapidly as organizations realize its critical role in technology and digital workplace engagement strategies.

Content workflow (15%, down from 20% in 2015) — For supporting business processes, routing content, assigning work tasks, determining states and creating audit trails. The reduced weighting reflects the maturity of content workflow technologies and their use within enterprises. We subtracted five percentage points from this functional component's weighting to make room for emerging content capabilities. The minimum requirement is simple document review and approval workflow capability. Higher points are given to vendors with graphical process builders, and both serial and parallel routing. Many vendors use stronger process capabilities to deliver frameworks or templates as content applications, such as case management and customer communication management applications.

Packaged apps and integration (5%, new for 2016) — For extending content management capabilities, services and support to other workloads, business processes and vertical solutions. The integration can be native or via add-on components, connectors or technology partnerships. The focus should be on integrating with LOB and productivity applications and vertical solutions. We give extra credit for published APIs, open-source code and modular components that can be combined or used with external applications, content and data.

Analytics/BI (5%, new for 2016) — For analyzing file content and for the discovery or interrogation of enterprise content. We give extra credit for the ability to conduct analysis across repositories and information resources, including structured and unstructured content. We also give extra credit for analytics for ECM system performance, tagging patterns or user activity, especially if the analysis can assist with a business goal such as process optimization or discovery.

Extended components (20%, up from 15% in 2015) — These can include components for one or more of the following: digital asset management, web content management, enterprise search and EFSS. The increased weighting reflects the growing importance of the ability to extend ECM to accommodate diverse content uses and workloads, especially with the introduction of EFSS and enterprise search software.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.