

The Smart Enterprise Suite Is Coming: Do We Need It?

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A new "suite product" is emerging. It covers enterprise needs for content management, knowledge management and collaboration, and supports the extended virtual workplace — inside and between enterprises.

ANALYSIS

A new type of "suite product" is emerging. This suite covers the needs for content management, knowledge management and collaboration inside and between enterprises. Previous examples of aggregation of functionality into suites have created dominant product categories: "office suites" collect what were originally independent personal-productivity tools; and "enterprise resource planning suites" grew from manufacturing planning and finance systems, and now cover a wide range of business application functionality. In the workplace area, groupware products combine messaging, scheduling and some basic document-sharing functions.

By 2004, smart enterprise suites will emerge as an aggregation of the functionality offered today by portals, team collaboration support and content management (0.8 probability).

Products covering generic workplace and publishing needs have, to date, reflected a fragmented market. This market boomed with the introduction of LAN-based groupware systems, notably for e-mail and basic document management. It then showed another spurt of growth as Internet protocols became established in enterprises and as intranets emerged. Most recently, content management and portals have been driving enterprise investment and market growth. However, these services are too intensive for success in the mainstream market, and many vendors are withdrawing from the portal market as it matures. What happens next?

Different types of vendors have been assembling sets of products for the extended workplace, with the emphasis on collaborative processes and knowledge work. These range from venerable IBM, using its combination of middleware (WebSphere) and collaboration (Lotus) assets, to upstart divine, a vendor with a frenetic pace of acquisitions, including content management (Open Market and e-prise), real-time collaboration (Parlano, now MindAlign) and portals (SageMaker) (see "The First Wave of Smart Enterprise Suites," M-16-2729, and "IBM's WebSphere Portal Offers Wide-Ranging Functionality," P-16-2214). The degree of integration into a single packaged product varies. These portfolios of products have a common theme: They allow people to work together more efficiently by enabling greater information sharing. This in itself is not new, but until now there has been a diversity of product categories addressing different aspects of this demand.

What to Expect in a Smart Enterprise Suite

Smart enterprise suites should include a significant combination of technologies:

- Content management — including document management and Web content management, extending to digital asset management and support for rich media
- Collaboration — including messaging, alerting, real-time application sharing, presence and threaded discussions
- Multichannel access — providing connectivity to a range of desktop and mobile devices via a mix of connectivity methods is supported for both content management and collaboration
- Information retrieval — including information categorization, taxonomy generation, profiling and expertise location
- Expertise location and management — to dynamically profile users and facilitate access to their tacit knowledge
- Community technology — enabling functionality for building and maintaining online communities

- Process management — targeting not the repetitive tasks supported by traditional workflow, but the ad hoc and dynamic activities characteristic of knowledge workers
- Portal framework — providing a consistent user interface for business-to-employee (B2E) users (they may be employees within the enterprise or those within the extended enterprise of value-chain partners)

Levels of "Suiteness"

There is a full spectrum of integration potential behind a smart enterprise suite. At a minimum, a vendor could offer separate applications that address the functional requirements of the component technologies within a single marketing bundle; there would be some level of common user interface and a single licensing scheme. This approach provides the advantage of a single point of purchase, but offers little benefit to user organizations in terms of increased efficiencies and lower costs, beyond price discounting for the package relative to independent products.

At the next level, the vendor would offer some technology integration across the components of the suite. Most likely, a vendor will use a basic portal metaphor, giving the user the opportunity to construct views into the separate applications to access the needed information. A common framework for information access via search is the minimum a user should expect in terms of integration. More-substantial integration would require consistent and comprehensive user and content profiling using the personalization capability, plus common user administration/management and, probably, common (or rationalized) metadata repositories.

Deeper integration opportunities move to the use of workflow and business process management (BPM) tools. These enable the suite to become a support framework for defined business processes beyond ad hoc collaboration, repository and information retrieval. At this point, the functionality of the smart enterprise suite starts to come up against business application suites. This is recognized as both a threat and an opportunity by vendors such as SAP and PeopleSoft as they move to unbundle their application infrastructure from specific business processes.

In theory, a vendor could create a new smart enterprise suite from "scratch." The level of investment is such, however, that only vendors that have key technology assets and market position are likely to be able to address this opportunity. This does not preclude success via acquisition. One trend is already starting: The emergence of the smart enterprise suite will drive a round of industry consolidation, particularly involving portal and content management vendors.

Do We Need Smart Enterprise Suites?

For the smart enterprise suite, the installed base is groupware, intranet and portal technology, which stands in great need of rationalization if it is to support the demands of more agile, real-time enterprises, plus the virtualization of business processes. Globalization and, specifically, the need for extranet capabilities are driving this virtualization as partnerships and "coopetition" (cooperation and competition) become the normal business model. These virtualized business processes also require process support, not in standardized and repetitive workflows, but with flexible but explicit process definition and broad visibility of progress and issues (see "Collaboration to Content — A Continuum," M-16-1908, and "Portals: A Key Source for the Smart Enterprise Suite Market," SPA-16-2749).

Smart enterprise suites will replace portals and team collaboration support products as the focus of investment within a majority of enterprises by 2005 (0.7 probability). However, content management and collaboration support systems will have increasing overlapping functionality, but will remain distinct markets, through 2005 (0.7 probability).

In terms of standardization, XML and related standards are making the unstructured world increasingly semistructured and, thus, more amenable to IT support. The opportunity to achieve

strong integration of workplace functionality is greatly enhanced by the use of Web services within a portal framework. This will replace the ad hoc integration mechanisms linking portal components (such as portlets and Web Parts) to back-end systems. It will enable cost-effective integration of smart enterprise suite components without locking users into proprietary integration schemes. Users will, in principle, have the best of both works — tight functional integration but flexibility to mix and match components. Whether vendors will truly promote this idea will be demonstrated mainly in their licensing policies.

During the next three years, we expect vendors will continue to make conservative investments designed to round out their product functionality. In some cases, these investments are driven by a particular customer's requirement, and once the functionality has been built, it is "productized." This approach allows the vendors to service short-term demands and incrementally build toward a longer-term strategic differentiation. There will not be a "big bang" delivery of e-workplace suites.

Will the Smart Enterprise Suite Sell?

In 2002, technology buyers are stifled by constrained budgets, and decisions are weighted heavily on pragmatic, not idealistic, requirements. The emphasis is on return on investment and on point products targeting limited business objectives with very clear-cut returns. Currently, the smart enterprise suite represents an ideal state, a nirvana for information sharing across, and possibly between, the enterprise and its partners. There is, however, an evolving dynamic in the trade-off between integration costs and best-of-breed functionality. The notion of a suite is, in part, being driven by competition for the limited budgets of buyers who are comparing dissimilar point solutions.

Particularly for the portal vendors, bundling the point solutions into a suite, combined with aggressive pricing strategies, provides a short-term competitive advantage. On the other hand, document management and content management vendors have been adding collaboration, knowledge management and portal functionality in response to user demands for better and improved team collaboration.

The smart enterprise suite will continue to evolve as the component markets broaden, but heavy demand will not occur until IT infrastructure and e-workplace application investments take on a greater strategic role, with an upturn in the economy. Type A enterprises (leading-edge technology adopters) with strong collaboration and knowledge management programs will not move aggressively to smart enterprise suites until late 2004, when the suites incorporate Web services technologies (0.8 probability). Until then, Type B (mainstream technology adopters) and Type C enterprises (conservative technology adopters) will be the largest buyers of smart enterprise suites. Most Type A enterprises have already invested in these technologies and many have integrated them together themselves. Significant new developments, such as a viable Web services integration approach, could renew Type A interest in smart enterprise suites.

As with other examples, suites become attractive once there is a sufficient installed base of infrastructure and relevant standards are widely adopted. User needs for richer targeted content will also influence the evolution of the smart enterprise suite (see "Rich Media Joins the Content Management Pack," T-16-3094). In particular, e-learning is emerging as a specific driver for integration of many of these technologies (see "E-Learning and Document Management: A New Direction," M-16-2734).

The emergence of smart enterprise suite products will cause major disruption in the markets for content management, collaboration and portals. Enterprises will enjoy reduced cost of integration at the price of substantial change to their installed systems.

Features

"The First Wave of Smart Enterprise Suites" (M-16-2729). The smart enterprise suite is a new category where vendors have a variety of contrasting capabilities to contribute. **By Karen Shegda, Mark Gilbert, Debra Logan, Simon Hayward, Lou Latham and French Caldwell**

"IBM's WebSphere Portal Offers Wide-Ranging Functionality" (P-16-2214). WebSphere Portal is a leading portal product that illustrates the move to smart enterprise suites. **By Simon Hayward**

"Collaboration to Content — A Continuum" (M-16-1908). Content management and collaboration support systems share features but continue to serve different purposes. **By Simon Hayward**

"Portals: A Key Source for the Smart Enterprise Suite Market" (SPA-16-2749). Portal products continue to evolve rapidly and will be one of the dominant root technologies for smart enterprise suites. **By Gene Phifer**

"Rich Media Joins the Content Management Pack" (T-16-3094). A rich media environment requires incorporating audio and video into the content management mix — a significant ingredient of the smart enterprise suite. **By Lou Latham**

"E-Learning and Document Management: A New Direction" (M-16-2734). E-learning is often considered an independent application, but it increasingly builds on content management and collaboration support technologies. **By Garth Landers and James Lundy**

This research is part of a set of related research pieces. See "CM, Portals and Collaboration Fading: Enter 'Smart' Suite" for an overview.

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