

Social Software Vendors Jostle for Enterprise Attention

Nikos Drakos, Carol Rozwell

Five separate announcements from social software and workplace application vendors illustrate key trends in the social software market. Social software has been separate from workplace applications, such as business intelligence (BI) and enterprise content management (ECM), but they are starting to converge.

Key Findings

- Mutual interest will bring social software and mainstream workplace vendors together in deals like the one between Jive Software and SAP.
- Like Open Text, large software vendors will add social software functions, but will find it difficult to attract customers beyond their existing customer base, against the numerous competitors already in the market.
- Many vendors take Socialtext's approach to entering the enterprise by appealing to grassroots users. The IT organization will not turn all of them into enterprise suppliers.
- NewGator, Telligent and other social software vendors continue to add functions and to refine their offerings to increase their enterprise appeal.

Recommendations

- Customers of large software vendors that need social software should evaluate their vendor's offerings — they have viable options in many cases — as well as those of pure social software vendors.
- All enterprises should continue to assess social software from a variety of providers. No single vendor has gotten close to a complete set of functions.
- IT leaders in charge of workplace tools should look for areas where social software can add value to existing workplace ECM or BI investments.
- Regardless of the functions offered or the "coolness factor," buyers must select the tools that serve a business need.

WHAT YOU NEED TO KNOW

A number of announcements from social software and workplace application vendors illustrate key trends in this market. Social software vendors are adding functions, refashioning their offerings and seeking alliances with large software vendors to increase their appeal to the enterprise market. BI and ECM vendors are building or reselling social functions to remain competitive. However, social software remains a new market, with disparate technologies, many small players, new vendors entering continually and a lack of standards and integration. Large software vendors also offer their customers viable options for social functions, but enterprises should evaluate small players as well and choose the vendors with the best fit. The "viral" adoption of some social software products comes from their intuitive nature. Ease of use will continue to be critical whether buyers purchase from large or small vendors.

EVENT

Event Facts

On 22 and 23 June 2009, a series of social software announcements appeared in conjunction with the Enterprise 2.0 Conference in Boston:

- **NewsGator** announced a beta version of Social Sites 3.0, whose Web 2.0 features include Socialpedia, which allows an enterprise to assemble Wikipedia-like topic libraries and Knowledge Explorer, which maps the experts in an organization. Social Sites 3.0 will be included in NewsGator's Social Sites Enterprise offering.
- **Jive** announced an agreement with SAP to integrate Jive's Social Business Software with SAP Business Objects BI OnDemand (including Crystal Reports, Web Intelligence, Xcelsius and Explorer). The vendors will also offer an on-demand version of Explorer that will allow users to search and explore data from their social networks.
- **Socialtext** announced Free 50, a free service that allows those with Socialtext e-mail addresses to create collaboration networks of up to 50 people. Functions include blogs, microblogs, wikis, social networking and personalized dashboards. IT organizations can take control of and administer Free 50 networks without charge. Enterprises using Free 50 can upgrade to Socialtext's subscription-based hosted and on-site appliance offerings. Socialtext also announced SocialCalc, which allows multiple users to collaborate on a spreadsheet at the same time.
- **Open Text** announced Social Media, a new component to the vendor's ECM suite. Social Media supports discussions, blogs and wikis with a consistent user interface that includes users' online status, pictures and profiles.
- **Telligent** announced Community 5.0, Enterprise 2.0 and Analytics 3.0. Enterprise 2.0 deploys within the enterprise and includes integration with Microsoft Office SharePoint Server, enterprise e-mail applications, external authentication for single sign-on, search and Lightweight Directory Access Protocol directories. Enterprise 2.0 also offers expanded customizable profiles, drag-and-drop capabilities and type-ahead search functions. Community 5.0, for engaging customers and partners, includes microblogging, customizable user profiles, drag-and-drop, the ability to convert e-mail and discussion threads into wiki content, and widgets. Analytics 3.0, schedule for release in August 2009, will combine Web analytics with social network analysis (SNA).

Analysis

This flurry of announcements illustrates that vendors are taking steps to make social software a standard part of the enterprise's portfolio of workplace applications. The social software market has seen the emergence of many innovative vendors offering different kinds of technology that supports interaction and knowledge sharing. Users have experimented with social software for several years or driven enterprises to do so. They treated social software as separate from established workplace applications, such as BI and ECM. Now the social software market has started to move to a new level of maturity in which social software vendors add functions and options to smooth the way for enterprise adoption and to differentiate themselves from competitors. Additionally, BI and ECM vendors add social software capabilities to remain competitive in their own markets.

Jive and SAP Need Each Other

Mutual interest will bring social software and mainstream workplace application vendors together in deals like this one. Jive has sound offerings around structured collaboration (such as tasks, simple workflow and projects) and social networking. It offers a choice of deployment models (on-premises and hosted). Customers like the product, and Jive continues to grow. Nevertheless, the vendor remains small, as it lacks the heft needed to make great headway in the enterprise. This deal will give Jive an outlet to the enterprise through a major software megavendor. Additionally, the integration with Business Objects' BI OnDemand will give enterprises another reason to consider Jive — as a convenient way to access BI data.

SAP will benefit by linking BI to social networks, where users interact and collaborate on decisions. BI projects often fail because the intended audience doesn't use the system, even when well designed. In part, users do not want to stop what they're doing, move to a BI application, look for information and then take it back to their original system to continue work.

Integration with social networking will enable OnDemand users to access BI data without interrupting their collaborative work with other people. BI vendors are likely to increase their links with social software players, particularly for mining SNA data for business insight (SAS Institute does this now). For SAP in particular, this deal also furnishes an opportunity to showcase its OnDemand offerings. SAP increasingly seeks to partner with other suppliers for collaboration and social software rather than implement them itself. The deal builds on an existing relationship with Jive, whose products supply the discussion forums in NetWeaver and in SAP's developer network.

Open Text Shows Social Software Complements ECM

ECM emerged from the convergence of smaller markets, including document management, Web content management, imaging, workflow, records management and document-centric collaboration. ECM vendors continue to add new technologies to their suites to remain competitive, particularly against the software megavendors with big application portfolios — IBM, Microsoft and Oracle, see "Case Study: Social Networking Tool Becomes Essential Workplace Infrastructure at Deloitte." Some ECM vendors already offer social functions; for example, EMC with CenterStage and IBM, which has integrated Quickr and Connections with P8, see "EMC Targets Knowledge Workers and Replaces eRoom With CenterStage." Social Media targets Open Text customers that want to add social networking. Open Text can differentiate itself from the social software vendors through improved management capabilities for archiving and records management, as well as a deeper understanding of security and compliance concerns. Open Text can extend its ECM suite to offer improved collaboration around workflows and documents, but will also face a number of challenges because it will have to:

- Compete against numerous vendors that already offer well known and proven social software.
- Market multiple products with overlapping functions.

Open Text now has more than one product that offer blogs, wikis and discussion forums. In addition to Social Media, Open Text offers Communities of Practice as a stand-alone product or as part of the broader ECM suite, packaged as Extended Collaboration. The acquisition of Vignette will give Open Text yet another set of wikis, blogs and discussions (as well as functions) around rich media. Open Text has not yet articulated a product road map in this area.

Socialtext Looks for More Ways Into the Enterprise

Socialtext hopes that Free 50 will appeal to individual users as an easy way to get social software applications without the need for writing a business case and undertaking a formal deployment. Thus, Socialtext can build a constituency for its technology within the enterprise. The ability of the IT organization to manage Free 50 networks, along with the upgrade option, would then make it easy to implement enterprise versions of Socialtext's applications. SocialCalc points toward the evolution of multiuser wikis as personal productivity tools, but has not proven itself yet. Socialtext will still need to do more to gain recognition by the IT organization. Many vendors try to enter the enterprise through the "grassroots," but the IT organization will not turn all of them into enterprise suppliers. Socialtext must continue to develop sales relationships as well as establish itself as a reliable partner.

NewsGator and Telligent Build Out Their Offerings

NewGator and Telligent continue to add functions and to refine their offerings to enhance their appeal to enterprises. The latest version, NewsGator's Social Sites, capitalizes on the popularity of SharePoint, see "Taking a Natural but Limited Step Toward Social Computing With SharePoint 2007." Microsoft SharePoint provides basic content services, but users often find they want more capabilities. Social Sites' visual expertise map and Socialpedia for compiling knowledge about topics, allow users to get more value out of collaborations around SharePoint e-rooms.

Telligent has rationalized its product line by creating distinct editions for internal and external communities, which have different needs. Analytics 3.0 points to the increasing importance of sophisticated engines that can make sense of community interactions; for example, to uncover the value of interactions and measure the health of internal and external collaboration efforts. Telligent must continue to shrink the functional gaps in its offerings.

RECOMMENDATIONS

Customers of large software vendors that need social software should evaluate their vendor's offerings. They have viable options in many cases, but customers should also look at offerings from pure social software vendors, see "Magic Quadrant for Social Software." For example, those who want to take SharePoint further should explore offerings from NewsGator, Telligent and others.

Customers of large software vendors should ask for plans around social software. Doing so will help customers plot a long-term strategy for social software, but customers should think carefully before basing concrete plans for critical systems on the vendor's social software agenda. Social software is new to many big vendors and their thinking has not fully formed. Additionally, integration, development and other big issues remain unresolved.

All enterprises will continue to need more than one vendor to satisfy a broad set of requirements, see "The Gartner Collaboration and Social Software Vendor Guide, 2009." The market has numerous vendors with unique technology, and more continue to enter the market. No single vendor has gotten close to a complete set of functions. Standards don't exist. The market hasn't begun to consolidate.

IT leaders in charge of workplace tools should start thinking about the intersection of BI and ECM suites with social software. IT leaders should survey users of BI and ECM to learn what social software they already use, perhaps without the knowledge of the IT organization. The survey should uncover areas where social software adds value to established workplace applications, but let the enterprise's own processes and workflows guide the choice of social software. Social software works only if it is organic to the workplace, see "Q&A: Symposium Frequently Asked Questions on Driving Social Software Use" and "Include Collaborative Content and Social Software In Your Enterprise Content Management Strategy."

Regardless of the functions offered or the "coolness factor" of tools, buyers must select the ones that serve a business need. Many technologies seem as though they can improve business processes or increase collaboration, but unless there is a demonstrable business value to the application, user adoption will lag. Improving collaboration, although an admirable goal, is not specific enough to produce quantifiable results.

RECOMMENDED READING

"Cool Vendors in Social Software, 2009"

"Four Ways in Which Enterprises are Using Twitter"

"Key Issues for Social Software and Collaboration Initiatives, 2009"

REGIONAL HEADQUARTERS

Corporate Headquarters

56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters

Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters

Gartner Japan Ltd.
Aobadai Hills, 6F
7-7, Aobadai, 4-chome
Meguro-ku, Tokyo 153-0042
JAPAN
+81 3 3481 3670

Latin America Headquarters

Gartner do Brazil
Av. das Nações Unidas, 12551
9º andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509