

Magic Quadrant for Horizontal Portal Products, 2007

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The portal product market continues to mature, with most enterprises evaluating the products provided by a core group of commercial enterprise software vendors. Several horizontal portal vendors are leveraging Web 2.0 technologies and concepts to further differentiate their products.

WHAT YOU NEED TO KNOW

Enterprises continue to spend significant amounts of money on horizontal portals, but mostly on a core group of high-profile, enterprise-focused software vendors. Several vendors have exited the horizontal portal market. Although there have not been major new entrants since 1Q07, the possibility remains that vendors from related markets, such as business intelligence platforms or business process management suites (BPMSs), will attempt to differentiate themselves in their core markets by adding functionality to their vertical interfaces to make them more applicable to horizontal portal deployment scenarios.

The potential also exists for a Web 2.0-oriented startup to focus on this area – in particular, some vendors describing themselves as providing “mashup” capabilities. Although software as a service (SaaS) has not yet emerged as a generally suitable horizontal portal consumption mechanism, a major consumer Internet-based personal start-page provider, such as Google, could also significantly alter the competitive landscape, although it would have significant technical challenges. Most organizations deploying open-source horizontal portals at this point do so on a limited basis, although interest in open-source portal alternatives has increased among large enterprises. Personal mashup tools, such as Microsoft Popfly, and mashup tool vendors are positioning themselves as alternatives to traditional horizontal portal products.

Organizations evaluating portal functionality primarily consider vendors that have a heritage in business applications or software infrastructure. Selecting a horizontal portal product requires careful vendor evaluation to make appropriate trade-offs among functional capabilities, architectural fit and strategic direction. Use Gartner’s Magic Quadrant in combination with other tools, including analyst consultation, when selecting a horizontal portal.

The horizontal portal product market continues to develop along the general lines discussed in “Magic Quadrant for Horizontal Portal Products, 2006” and “Critical Trends Impacting the Portal Product Market in 2007 and Beyond,” with the exception that Gartner’s prediction of a new vendor entering this market by the end of 2007 has yet to occur as of the time of publication. The 2007 Magic Quadrant for horizontal portal products (see Figure 1) has 10 vendors, down from 14 in 2006. Some vendors shifted their focus elsewhere and effectively left the market. Other vendors’ portal-derived revenue has fallen to levels indicating low market interest in their portal capabilities.

MAGIC QUADRANT

Market Overview

After two major waves of vendor consolidation, the horizontal portal market continues to coalesce around a core group of large independent software vendors (ISVs). In many ways, the portal market reflects one area of competition among the technology stack vendors. Portals play strategic roles in the stack strategies of several large ISVs, whether they serve as the focus of a service-oriented architecture (SOA) vision or as the foundation of their applications' interface strategies.

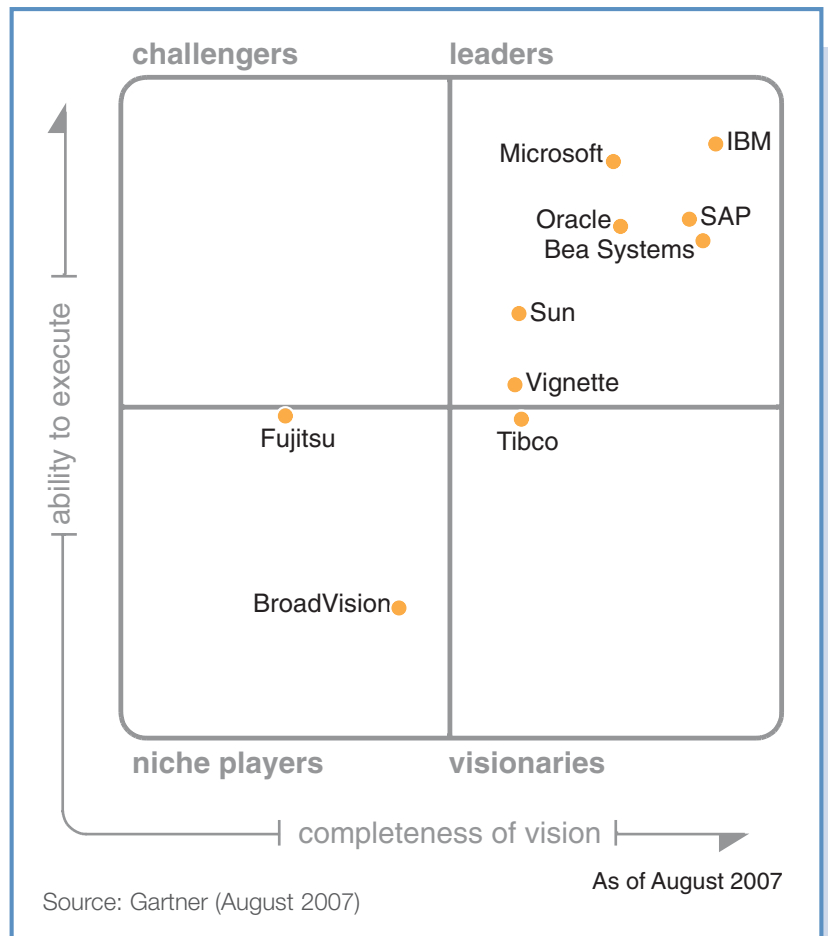
Of the vendors profiled in the 2006 Magic Quadrant, only Hummingbird has been acquired. However, several vendors left the market by focusing their efforts away from horizontal portal customers toward other opportunities, or their market traction has slipped to negligible levels.

Although no new vendors have entered this market since 2006, several enterprise software vendors in related markets, including several targeting BPM suites, provide some functionality traditionally associated with horizontal portals. Additionally, a range of consumer Internet-oriented personal start-page vendors could potentially develop an enterprise focus. Providing horizontal portal functionality through a SaaS model would be a possible strategy for one or more of these vendors. Personal mashup tools from vendors such as Microsoft and Yahoo could form the basis of enterprise offerings serving as alternatives to traditional horizontal portal products. Many mashup toolkit vendors are already targeting the enterprise space and could attract the attention of some buyers.

Although adoption of open-source software (OSS) portals at an enterprise level to date is low among Fortune 2000 companies, some organizations have used OSS portals on a departmental or ad hoc project basis. Through 2009, less than 20% of Global 2000 companies will deploy open-source portals at the enterprise level because of lack of compelling advantages in cost, support, functionality and finish. However, Gartner does not expect this trend to continue indefinitely.

- First, Sun's support for an open-source initiative based on Sun Java System Portal Server 7 provides another open-source horizontal portal alternative, but one associated more directly with an established software vendor.

Figure 1. Magic Quadrant for Horizontal Portal Products, 2007



- Second, the combination of functional enhancements by commercial open-source portal vendors, with the second iteration of vendor-independent portal standards, such as Web Services for Report Portlets (WSRP) v.2 and Java Specification Request (JSR) 286, is likely to promote interest in OSS portal alternatives. JSR 286 and WSRP are expected to successfully address many of the limitations of the first iterations of these standards (for example, JSR 168 lacked a mechanism for interportlet communication), and these improvements should promote third-party portlet development that will benefit open-source horizontal portal alternatives.

Interest in the Web 2.0 phenomenon is affecting the horizontal portal market. In addition to leveraging Ajax or alternative rich

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Internet application technologies to provide richer user interfaces, horizontal portal vendors are looking to the consumer Internet for inspiration in terms of functionality ranging from enabling an end-user mashup generation to communal tagging and social networking. Multiple horizontal portal vendors already support a mashup generation to a limited degree. Many of the technologies associated with Web 2.0 are making their way into shipping products and vendor road maps for 2008.

Market Definition/Description

Gartner defines a portal as a “Web software infrastructure that provides access to, and interaction with, relevant information assets (for example, information/content, applications and business processes), knowledge assets and human assets by select targeted audiences, delivered in a highly personalized manner.” Enterprise portals may face different audiences, including:

- Employees – business-to-employee (B2E)
- Customers – business-to-consumer (B2C)
- Business partners – business-to-business (B2B)

A portal product is a packaged software application that is used to create and maintain enterprise portals. These products can be used to design vertical or horizontal portals.

- Vertical portals focus on accessing specific applications or business functions.
- Horizontal portals seek to integrate and aggregate information from multiple cross-enterprise applications, as well as specific line-of-business tools and applications.

Most companies looking for portal functionality will deploy horizontal portal products, although many types of suites also contain horizontal portal frameworks. Portal services will be embedded in multiple product types, and an increasing number of enterprises will use these other product packages to obtain portal functionality.

Inclusion and Exclusion Criteria

Vendors must meet four minimum criteria to be considered for the Magic Quadrant for Horizontal Portal Products, 2007:

- Achieved at least \$3 million in annual portal-related product and service revenue during the 2006 calendar year
- Provide sales and support for the portal product in at least two of the following geographic regions: North America; Latin America; Europe, the Middle East and Africa (EMEA); Japan; or the Asia/Pacific region
- Have the ability to sell an enterprise portal for deployment in a variety of scenarios, including B2E, B2B and B2C
- Provide portal functionality that meets all first-generation criteria

Added

No vendors were added to the 2007 Magic Quadrant. As in previous years, several vendors and open-source alternatives failed to meet one or more of the market inclusion criteria. Examples include, but are not limited to, abaXX Technology, DotNetNuke, Hitachi, Liferay, Red Hat JBoss, NEC and uPortal.

Dropped

Four vendors included in the 2006 Magic Quadrant for horizontal portal products were not included in this year’s analysis. Vendors were omitted from the analysis if they no longer met the inclusion criteria, shifted out of the horizontal portal market or were acquired.

- CA no longer actively markets CleverPath Portal to new customers, nor does it derive sufficient revenue from the product as a horizontal portal, although the technology is leveraged to provide the interface for numerous CA products.
- Day Software does not derive sufficient portal-related revenue and has focused on the enterprise content management space.
- Hummingbird was acquired by Open Text in October 2006. Open Text is not selling Hummingbird’s Webtop product.
- WebMethods does not derive sufficient portal-related revenue to meet the basic inclusion criteria, although portal functionality is present in webMethods Fabric and webMethods Business Process Management Suite. Additionally, Software AG, which acquired webMethods, has not indicated interest in the horizontal space

Evaluation Criteria

Ability to Execute

Enterprises evaluating horizontal portal technology have a wide range of requirements for different audiences. A breadth of functions supporting different portal deployment scenarios, long-term vendor viability, a demonstrated track record of meeting customer needs and successfully expanding market presence are all important criteria for ability to execute in this market. A vendor that may not be rated highly in terms of its ability to execute in the general horizontal portal space may still provide compelling functionality supporting a particular portal deployment scenario.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	high
Sales Execution/Pricing	high
Market Responsiveness and Track Record	high
Marketing Execution	standard
Customer Experience	high
Operations	standard
Source: Gartner	

Completeness of Vision

Vendors demonstrating an understanding of their customers' evolving needs, incorporating new customer demands into their product strategies and exhibiting technological innovation in their portal products exhibit completeness of vision in this market.

Leaders

The leaders in this Magic Quadrant have a full range of capabilities to support all portal deployment scenarios, and have demonstrated consistent product delivery over a considerable period to meet customer needs, significant product innovation and continued success in selling to new customers.

Challengers

There aren't any challengers in the 2007 Magic Quadrant for Horizontal Portal Products.

Visionaries

Tibco is the only visionary this year. Although it has exhibited vision regarding a range of portal capabilities, especially relating to its exploitation of Ajax, it has not exhibited the scope of delivery or the market presence of the leaders.

Niche Players

The niche players in the horizontal portal product market focus on a more limited set of portal deployment scenarios or have limited geographic presence outside their home market

Vendor Strengths and Cautions

BEA Systems

Strengths

- BEA Systems offers two portal products. It positions AquaLogic Interaction as a credible offering for enterprises seeking a cross-platform horizontal portal product, while WebLogic Portal can be offered in conjunction with other WebLogic products to provide an integrated application platform suite for customers committed to Java.
- BEA has clearly articulated and implemented a strategy for how it will enable Web 2.0 concepts, such as social tagging and end-user-driven mashup creation, in new products and its existing portal offerings.
- BEA continues to play an aggressive role in portal specification definition efforts and in implementing support for relevant portal standards, including WSRP, in its products.
- In addition to its presence in the horizontal portal space, BEA is a leading vendor in several key related markets, including application servers, integration and BPM.

Cautions

- The decision to maintain two distinct code bases (rather than the original plan to use a common portal engine) between WebLogic Portal and AquaLogic Interaction may place a burden on BEA to devote sufficient resources toward the maintenance and enhancement of two products.
- Customers using WebLogic Portal continue to wait for BEA to fulfill its promise to extend the functionality found in Plumtree's Activity Servers (rebranded as Interaction Collaboration, Publisher and Grid Search) to work in conjunction with its portal product.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	high
Marketing Strategy	standard
Sales Strategy	low
Offering (Product) Strategy	high
Business Model	low
Vertical/Industry Strategy	high
Innovation	high
Geographic Strategy	standard
Source: Gartner	

BroadVision

Strengths

- BroadVision offers strong functionality supporting B2C portal deployments, especially those with an e-commerce component.

Cautions

- BroadVision has stabilized revenue and cut costs, but it has yet to demonstrate new growth. Enterprises still worry that it lacks long-term viability, and prospects remain wary.

Fujitsu

Strengths

- Fujitsu is a large, financially viable global provider of services, hardware and software.
- Fujitsu enjoys a strong position in its Japanese home market.
- A growing customer base outside of Japan for Interstage BPM provides a cross-selling opportunity for Interstage Portal.

Cautions

- Despite some success with other elements of the Interstage product family, Fujitsu's Interstage Portal has not had significant traction outside Japan.
- Fujitsu lacks a clear strategy to address growing market requirements in the areas of collaboration, mashups, social software and rich client interfaces.

IBM

Strengths

- WebSphere Portal has been successfully deployed by a large customer base across a wide range of complex deployment patterns.

- IBM has clearly articulated how WebSphere Portal will support end-user-driven mashup creation and leverage complementary offerings, such as Lotus Connections, to inject Web 2.0 concepts into the enterprise.
- IBM offers a compelling vision for unified application compositing and deployment across a variety of user interfaces, including WebSphere Portal, Lotus Notes 8 and Lotus Expeditor.
- The new Accelerator packaging strategy enables IBM to offer solutions targeted at more-tactical issues, while maintaining WebSphere Portal as the underlying platform.

Cautions

- Use of WebSphere Portal requires investment in the WebSphere platform.
- WebSphere Portal has experienced less traction in small and midsize businesses than in large enterprises.
- Although IBM has made improvements to the installation and configuration experience, customers report that for some deployment scenarios, the WebSphere Portal continues to be more complex to implement than some other leading portal products.

Microsoft Strengths

- Microsoft's strategy to offer an integrated suite delivering portal, content management, collaboration, search and business intelligence functionality through Windows SharePoint Services and Office SharePoint Server 2007 will appeal to many enterprises, not just those that deployed SharePoint Portal Server 2003. The effective delivery of portal and Web content management functionality based on a single repository and the product's collaboration features is driving widespread interest in and deployment of Office SharePoint Server 2007 in intranet replacement, B2E portal and extranet scenarios.
- Embedding Windows Workflow Foundation in Windows SharePoint Services will position Office SharePoint Server 2007 as a potential default document-centric workflow platform in many enterprises.
- Office SharePoint Server 2007 is not just part of the Office brand. Integration to other elements of the Office family will provide a push factor for many enterprises to deploy additional Office server products (that is, Exchange 2007) once the enterprise has deployed any single component of the Office family.
- Extensions to the "MySite" model in Office SharePoint Server 2007 include the ability for users to share information about themselves and their work with other users.

Cautions

- Office SharePoint Server 2007 did not become generally available until January 2007; many of the larger early adopters have not yet completed their implementations.
- Initial feedback regarding larger, decentralized deployments of Office SharePoint Server 2007 indicate room for improvement in management and replication functionality.

- Office SharePoint Server 2007 relies on .NET, raising concerns for Java-centric enterprises.

Oracle Strengths

- Oracle has a large customer base for Oracle Portal, and the product is tightly integrated with other elements of Oracle Fusion Middleware.
- Oracle Portal enjoys a reputation for ease of implementation and deployment.
- Oracle offers a variety of out-of-the-box portlets for e-business applications and has been building its out-of-the-box portlet library for acquired applications from Siebel and PeopleSoft.
- Oracle's acquisition of Stellent augments the vendor's content management capabilities, although initial integration efforts focused on WebCenter Suite, not Oracle Portal.

Cautions

- Oracle will continue to confuse customers and prospects, unless it clearly and consistently communicates usage scenarios for Oracle Portal and WebCenter Suite and defines the long-term relationship between the two to ensure Oracle Portal customers that further investment in that product is justified.
- Although Oracle has indicated plans to offer Web 2.0-associated functionality to Oracle Portal customers separately from WebCenter Suite, it has not provided details regarding potential packaging and pricing.
- Oracle's focus on WebCenter Suite as the cornerstone of its future user interface strategy means that organizations investing in Oracle Portal should also plan on eventually deploying WebCenter Suite.

SAP Strengths

- SAP continues to invest in SAP Portal as the linchpin of its NetWeaver strategy, and as the user interface component of its overall SOA strategy and xApps offerings.
- SAP is taking concrete moves to decompose SAP Portal so that select services can be leveraged outside the portal. The NetWeaver Business Client, a rich client interface, is powered by SAP Portal's user interface services.
- SAP offers a large catalog of iViews providing out-of-the-box connectivity and integration between SAP Portal and SAP business applications.

Cautions

- SAP Portal continues to be deployed in organizations with SAP applications, but it enjoys little deployment outside its applications customer base.
- SAP portal deployments are often limited in scope to providing access to SAP applications.
- SAP has taken far longer than most of its competitors to support JSR 168; support will be available starting in SAP NetWeaver 7.1.

- Although improvements to make the user interface more flexible are planned in a service pack to be released in 4Q07, SAP Portal provides limited options to change the look and feel of the portal experience when compared with the features that several of its competitors provide.

Sun Strengths

- Sun has leveraged its acquisition of SeeBeyond with its Java Composite Application Platform System (CAPS), functionality that can be used to augment Sun Java System Portal Server's portal integration capabilities, as well as making the combination a strong compositing environment.
- Sun Java System Portal Server has demonstrated scalability in several large, high-demand, high-security portal deployments.

Cautions

- Sun's portal product continues to lose visibility and market traction, although the provision of an open-source version of the portal, as well as the portal's inclusion in the Java Enterprise System, could reverse the situation.

Tibco Strengths

- Since its acquisition of General Interface, Tibco has exploited Ajax to improve the user experience that can be created using its portal product.
- Tibco offers strong functionality in complementary areas, such as application integration and BPM, that can be used in conjunction with its portal.

Cautions

- Tibco continues to sell its PortalBuilder and General Interface products primarily to its integration product customer base and as supporting components in new integration-focused projects. Tibco has not been able to highlight its Ajax capability as an effective differentiator in this market.
- Despite recent improvements, Tibco PortalBuilder's content and collaboration features are relatively weak when compared with those of several leading portal vendors.
- Few third-party application vendors provide out-of-the-box portlets specifically for PortalBuilder.

Vignette Strengths

- Vignette has numerous customers that have deployed high-demand B2C portals using its technology.
- A significant installed base for Vignette's enterprise content management offerings provides a ready-made market for cross-selling Vignette Portal and the complementary Vignette Builder.
- The combination of Vignette Portal and Vignette Builder provides a strong portal-centric composite application development environment.

Cautions

- Vignette lacks the financial resources of the other leaders in this market.
- Vignette experiences continued organizational and executive change.
- Vignette is forced to fight against market perceptions that it is an enterprise content management vendor that also offers a portal. Its relative lack of "mind share" in comparison with other leading portal vendors leads many customers to focus their evaluations on other vendors.

Vendors Added or Dropped

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

Evaluation Criteria Definitions

Ability to Execute

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

Overall Viability (Business Unit, Financial, Strategy, Organization): 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 pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track 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 Web site, 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.