Magic Quadrant for Integrated Document Archive and Retrieval Systems, 2006

Enterprises are continuing to consolidate their IDARS platforms as a cost-cutting measure that will limit market growth. IDARS vendors with only report management capabilities will struggle and must develop strategies and products to expand into adjacent archiving and content management markets.

WHAT YOU NEED TO KNOW

The integrated document archiving and retrieval system (IDARS) Magic Quadrant is focused on providers that offer solutions related to storage, access, management, distribution and viewing of fixed content, which includes print-stream reports and images. Vendors are bringing their archiving products together, including IDARS, e-mail archiving, imaging and SAP archiving to leverage their repository capabilities. Today, more than one-third of the key vendors in the IDARS market are enterprise content management (ECM) suite vendors, so they have a significant influence on market direction.

Consolidation has slowed in the IDARS market; however, expect emerging competition from distributed output management (DOM) and document composition vendors that are providing archiving capabilities for the print streams that they process. DOM vendors, such as Levi, Ray and Shoup, are adding archiving capabilities as a natural extension to their processing of the print stream. IDARS vendors are also enhancing their DOM capabilities, such as ASG, Macro 4 and RSD. Although report management will continue to be the key requirement for most IDARS selections, including support for high-volume transaction applications and scalable archives, organizations need to take a strategic view of archiving in the vendor selection

process. For companies that want to outsource their IDARS applications, vendors such as Anacomp and Archive Systems provide hosted IDARS solutions for imaging and presentment. Integrated content archiving products are emerging, and IDARS vendors will be key players as different archiving platforms converge.

The IDARS market has changed, and the evaluation criteria continue to evolve. Vendors that did not invest in new product functionality and marketing will naturally move to the left in the Magic Quadrant on vision. This does not imply that the products evaluated last year are now deficient. It just means that new requirements have added new challenges to the market that have yet to be met. The proliferation and influence of self-service

Figure 1. Magic Quadrant for Integrated Document Archive and Retrieval Systems, 2006

Source: Gartner (June 2006)
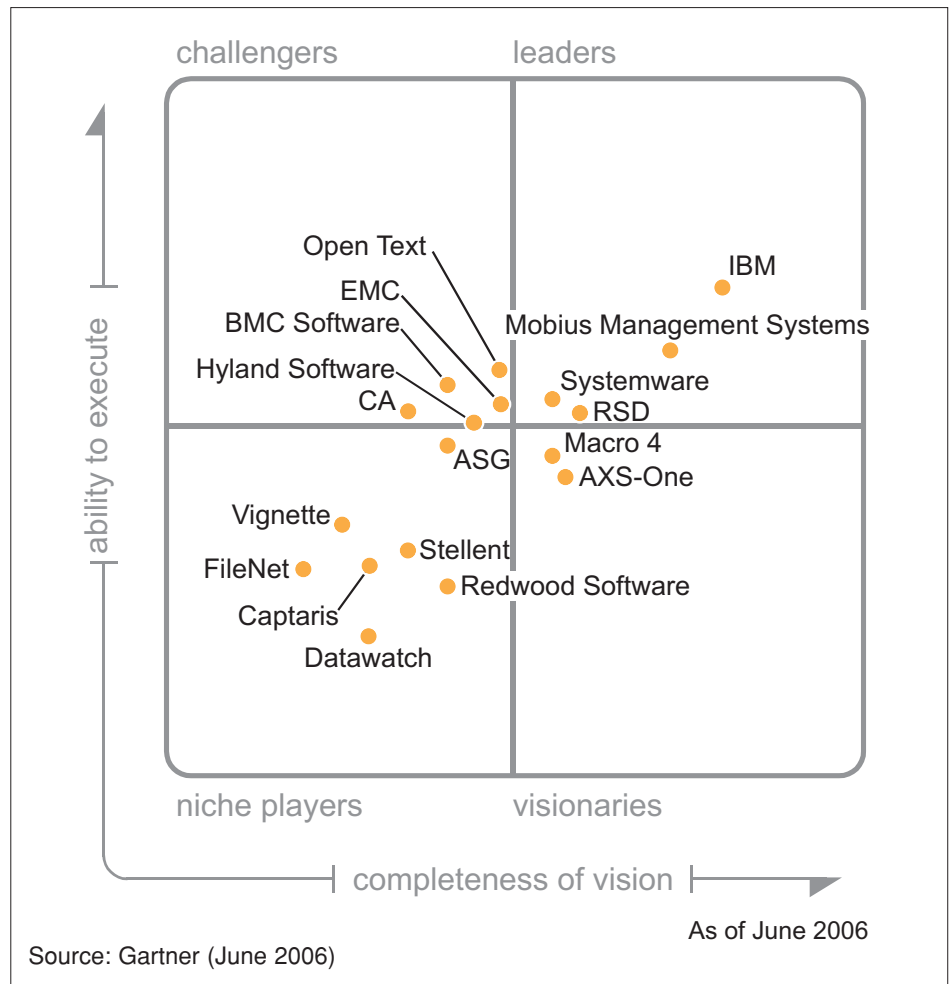
applications with large populations of casual archive users mean that vendor contracts and archives have to scale almost infinitely. In an increasingly competitive market, financial terms and software license metering are becoming important issues.

The vendors in the 2006 IDARS Magic Quadrant include:

- Best-of-breed IDARS vendors that focus on archiving and the delivery of print-stream-based reports and images. These vendors provide print-stream ingestion, scalable repositories, multichannel output delivery and print management with support for a broad range of platforms.
- ECM vendors that include IDARS as a component of their product suites. These vendors will offer a broad range of content management technologies, but IDARS is typically an add-on component. Some vendors will use a separate repository, while others will integrate with their imaging or content repositories.
- System management vendors that offer IDARS as an extension of their infrastructure and application management solutions. These vendors may also offer output management functions as part of their IDARS solution.

STRATEGIC PLANNING ASSUMPTION(S)

By 2007, the IDARS market will cease to be a stand-alone market and will become an integral component of an ECM suite (0.8 probability).

By 2010, enterprises will be complementing their ECM platforms with integrated content archiving solutions to more effectively manage fixed content (0.7 probability).

MAGIC QUADRANT

Market Overview
There are fewer pure-play IDARS vendors than in the past. Vendors such as Systemware and RSD are broadening their functionality by adding document management, e-mail archiving, workflow and records

management to compete in the ECM and compliance markets. Gartner expects further market consolidation, and leadership will remain with vendors having established customer bases and expanded product functionality. Since Gartner's 2005 IDARS Magic Quadrant, the following changes have occurred:

- ASG acquired Cypress in March 2005.
- EMC acquired Acartus in October 2005.
- Datawatch acquired Radiant from ClearStory Systems in May 2006.

In 2005, we forecast that the IDARS market would cease to be a stand-alone market and would be an integral component of an ECM suite, using the underlying content repository by 2007. Many ECM vendors have now included an IDARS in their suites, such as EMC, FileNet, Hyland Software, Mobius Management Systems, Open Text, Stellent and Vignette, while other IDARS vendors are moving to add content management functionality to complement their archiving solutions. We continue to be on track with our forecast.

Gartner expects that by 2010, organizations will be adding integrated content archiving solutions to support the management of a broader range of fixed content, and IDARS will be a key component of that solution. This presents an opportunity for IDARS vendors that may not be able to compete in the ECM space to focus on the emerging integrated content archiving market. Organizations will need to consider which vendors can support a unified content architecture in planning for the acquisition or consolidation of archiving platforms and technologies.

Market Definition/Description
Gartner defines an IDARS as a consolidated system for storing, accessing, managing, distributing and viewing fixed content, which includes print-stream-originated reports, images and other fixed content. Leading IDARS applications include mission-critical customer support, e-bill/statement presentment, management and distribution of report data, such as mainframe

output, transaction logs, financial reports and long-term archiving of historical data.

IDARS platforms are extending beyond traditional report management. Vendors are increasingly leveraging the repository architecture to support broader archiving applications ranging from SAP archiving to e-mail archiving. Expect content services, such as records management and discovery, to be integrated or added functionalities.

Inclusion and Exclusion Criteria

The vendor must have at least $10 million in IDARS and other archiving software product, maintenance and related service revenue.

The vendor's IDARS software must be commercially available, and the vendor must have references that have the product in production.

The vendor must have an IDARS product that includes the following capabilities:

- A scalable native archive repository
- Print-stream ingestion and transformation capabilities
- Report distribution and multichannel output capabilities
- A viewer to provide retrieval and query capabilities

Added

- ASG has been added because of its acquisition of Cypress.

Dropped

- Acartus, ClearStory and Cypress have been dropped because they or their products have been acquired by another vendor.

- Beta Systems, Feith Systems, FormScape, Global 360, John Henry Associates, and Levi, Ray and Shoup have been dropped because they have not met the inclusion criteria or are no longer focusing on the IDARS market.

Evaluation Criteria

Ability to Execute

Gartner evaluates providers based on their ability to convincingly articulate logical statements about current and future market direction, innovation, customer needs, and competitive forces and how well they map to the Gartner position. Providers are rated based on their understanding of how market forces can be exploited to create opportunities for the provider.

Completeness of Vision

Gartner evaluates providers based on the quality and efficacy of their processes, systems, methods or procedures that enable IT provider performance to be competitive, efficient and effective, and to positively affect revenue, retention and reputation. Providers are judged based on their ability and success in capitalizing on their vision.

Leaders

Leaders achieve the highest combined measures of ability to execute and completeness of vision. They have the most-comprehensive and most-scalable products. They have a proven track record of financial performance and established market presence. In terms of vision, they are perceived as thought leaders, with well-articulated plans for product development, marketing and channel support. They have established a strong IDARS market presence with their installed base, and they demonstrate continued customer and revenue growth.

Table 1. Ability to Execute Evaluation Criteria

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

Source: Gartner

Table 2. Completeness of Vision Evaluation Criteria

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

Source: Gartner

Leaders must not only deliver to current market requirements, which continue to change, but they need to anticipate and deliver on future requirements. A cornerstone for leaders is the ability to articulate how these requirements will be addressed as part of their vision for expanded content archiving. These strategic vendors will continue to drive the IDARS market by broadening their product functionality and integration. As a group, leaders can be expected to be considered as part of most new purchase considerations and have high success rates in winning new business.

Challengers

Challengers can execute today but have a limited or evolving vision and focus in the IDARS market. They have the financial and market resources and capabilities to become leaders, but the important question is whether they have the understanding of market trends and market requirements needed to succeed tomorrow. Also, they may not devote sufficient development resources to deliver a product with broad market appeal and leadership features. Challengers have capable products and can perform well for many enterprises. Their products may have limitations in several areas – for example, native ingestion capabilities for advanced-function presentation and Metacode print streams, proven scalability and print-stream ingestion rates.

Visionaries

Visionaries are forward-thinking, but their execution has not propelled them into a leadership position. These vendors are differentiated by product innovation, but they have not achieved completeness of solution or the sales and marketing success required to give them the high visibility of leaders.

Niche Players

Niche players lack a substantial presence in the IDARS market. The IDARS market is not a significant business focus for these vendors as a group. Some of the products in this group are traditional enterprise report management (ERM) – formerly considered computer output to laserdisc (COLD) – products, and the remainder are ECM vendors. Their IDARS products are typically optional components of their more comprehensive product suites. The most significant challenge for these niche vendors is whether they are willing to invest in their IDARS products and marketing to make them competitive.

Vendor Comments

ASG

ASG acquired Cypress in March 2005 and has included its IDARS and DOM technology into its content management platform. The acquisition improves services and support for the product and enhances potential product development. Operating in a Windows-based environment but with the ability to capture content from different platforms, ASG-Cypress offers good IDARS and strong DOM functionality at an affordable price. Its Content Processing Facility provides automated document post-processing, assembly and distribution, while its DocuVault architecture can scale to manage large volumes and provide the fast retrieval of documents. ASG-Cypress provides ASG with a core platform in its push into the ECM market.

AXS-One

AXS-One has a strong presence in the banking and financial services market, especially among organizations with strong compliance and discovery requirements. Its COLD archiving engine has been in production at major financial institutions for more than a decade and although it provides good capabilities, it is weak in report distribution as the company focuses on using Web services technology for customer self-service in conjunction with IDARS repositories. The AXS-One Compliance Platform enables organizations to extend the same platform for document, e-mail, instant messaging, file systems, SAP and other archiving applications. In addition, it provides records management, legal discovery, supervisory review and imaging functionality. Building a stronger sales and partner channel continues to be a challenge for AXS-One, especially for the IDARS market. AXS-One needs to turn around its overall business because its financial performance has lagged behind the market. Consider AXS-One when selecting an archiving platform focused on compliance and when e-mail archiving is required.

BMC Software

BMC Software, as a major systems infrastructure management vendor, has a strong position in the IDARS market based on its customer base and sales channel. CONTROL-D provides an enterprise solution for report management and output management on mainframe and distributed systems, with its customer base predominately running the product on the mainframe as a central repository and additional installations in a distributed environment. CONTROL-D has good report distribution and output management capabilities, and it is

highly scalable. BMC should enhance its functionality around content management, records management and other archiving capabilities to be successful. CONTROL-D is well-suited for organizations that are looking to extend and leverage their BMC system infrastructure.

Captaris

Captaris targets the midmarket with its Alchemy suite – an imaging and archive solution. When combined with RightFax for electronic document delivery and Captaris Workflow, Captaris provides an integrated content management platform. Alchemy was historically used mainly for ASCII and Extended Binary-Coded Decimal Interchange Code (EBCDIC) print streams using its proprietary DataGrabber ingestion module, but it has added PDF and TIFF ingestion capabilities. A limitation of Alchemy is that it is a Windows-only platform where the print stream is spooled via FTP. Alchemy's application programming interface (API) set enables integration with other applications, but Captaris should broaden its integration capabilities with enterprise applications, such as ERP. Although Captaris sells Alchemy primarily through a network of service bureaus and systems integrators, which could potentially limit its ability to compete in larger enterprise deals, the company has recently added a direct sales model.

CA

CA provides a broad range of archiving and output management functionality through its Unicenter View, Dispatch and BUNDL products. These products continue to be deployed primarily by CA's customer base, where it provides a good value proposition, but it shows no significant adoption by non-CA customers. CA must enhance its IDARS products to provide more functionality to fend off competitors as customers consolidate their multiple archiving platforms. CA's recent acquisitions of iLumin for e-mail archiving and MDY Group for records management provide two key technology components to incorporate into its archiving platform. CA appears to have stabilized defections from its customer base, but it still lacks a strong product story and marketing investment in the face of rapidly changing market demands.

Datawatch

Datawatch increased its commitment to IDARS with its acquisition of the Radiant Document Solutions Group from ClearStory Systems in May 2006. The products have been rebranded as Datawatch Business Data Server and Datawatch MailManager and will complement its Datawatch ES archiving product.

Datawatch's Monarch Report Mining Server product is used by many IDARS vendors for report mining and analytics. The acquisition provides Datawatch with a significantly larger installed customer base, but it still needs to increase its market presence beyond Monarch Report Mining to be a credible archiving vendor.

EMC

EMC made a strong commitment to IDARS with its acquisition of Acartus in October 2005. The acquisition provided EMC with a product that extends it into the enterprise level and leverages its Documentum repository. EMC recently rebranded this product as Archive Services for Reports. EMC's Application Xtender product provides a Windows-based IDARS solution for the midmarket. The company has also launched several archiving products branded as "Archive Services" for e-mail and SAP using the Documentum repository. Although EMC has a good vision for archiving, it needs to show how it can effectively compete against the IDARS market leaders in terms of scalability and functionality. EMC has not expressed an effective strategy for the IDARS market and continues to support multiple products and repositories across Documentum's architecture.

FileNet

FileNet provides a unified content repository with its Report Manager and Image Manager products. Report Manager, its IDARS product, has a scalable repository for report data and images, but it does not store native print streams. Other key limitations of Report Manager are report distribution and multichannel output capabilities. Report Manager continues to be a minor product in FileNet's overall content management strategy, with more emphasis placed on its stronger imaging capabilities. FileNet has highlighted compliance as a key focus area, so enterprises with broader records management and archiving requirements may want to consider Report Manager as part of an overall FileNet platform.

Hyland Software

Hyland Software provides IDARS support as an add-on component of its OnBase ECM suite. OnBase has good high-volume imaging and COLD functionality, and it is ideally suited for IDARS applications for financial services, healthcare and back-office applications, such as accounts payable. OnBase provides for a single repository, client and point of administration in its product suite. Hyland has also added functionality for its COLD component, including multicolumn indexing and a statement

composition module. OnBase can publish to a CD with a self-contained application on the CD providing increased flexibility. It also has a unique feature for converting documents, such as medical explanation of benefits statements from the 835 electronic data interchange (EDI) format and health claims (for example, Uniform Bill-92 and Health Care Financing Administration forms) from the 837 EDI format to XML and Page Control Language. Hyland's vertical application focus is indicative of an approach to a changing market based on content-enabled vertical applications.

IBM

IBM maintains its leadership through its strong market presence, extensive ECM product lineup and partner channel. Although IBM has a large installed base of traditional mainframe customers for DB2 Content Manager OnDemand with large archive requirements, increasing demand for Unix and other platforms represents a significant and growing part of its installed base. IBM has the complementary products to support the archiving requirements for enterprises ranging from SAP to e-mail archiving, as well as content management products, such as records management. Combined with Tivoli Storage Manager, DB2 Content Manager OnDemand also provides hierarchical storage management and support for a range of storage devices. Its product scalability, platform support and integration offset its more complex and service-intensive requirements. Enterprises already heavily invested in IBM products and services should find IBM's archive capability more than adequate for almost any application.

Macro 4

Macro 4 provides IDARS and DOM solutions. Its Columbus DW customer base is predominately in Europe, but Macro 4 continues to work on expanding its geographic presence, especially in the U.S. Columbus DW has good transformation, multichannel delivery and repository scalability, as well as workflow capabilities. It provides storage and compression of the print stream and performs transformation "on the fly" into a broad range of file formats, including fully tagged XML. Macro 4's Columbus Output Management product supports a pull and push model for multichannel output. Macro 4 should be considered by enterprises looking for a full function document archiving and output management solution. Enterprises may find Columbus to be a well-balanced platform consolidation option and a good alternative to running several different products for archive and output.

Mobius Management Systems

Mobius Management Systems continues to be considered on most shortlists for IDARS selections, and it has regained its market momentum after a couple of challenging years. Mobius has extended its ViewDirect product platform by incorporating additional functionality, such as records management and e-mail archiving. These changes enable Mobius to better participate in the compliance and content management markets. Mobius needs to execute better by improving sales and support efforts for customers to drive revenue opportunities in the competitive IDARS market. Its virtual foldering capabilities and flexible viewing for distributed content in applications, such as customer support, are its strengths. Mobius has few peers for IDARS applications requiring high scalability and print-stream ingestion, especially those that are mainframe-based.

Open Text

As a result of past acquisitions, Open Text has three products for IDARS: 1) Livelink ECM - Production Document Management, 2) Livelink ECM - Enterprise Report Management and 3) Vista Plus Suite. Each solution has its own strengths. Livelink ECM - Production Document Management is based on Java 2 Platform, Enterprise Edition and is the market leader in SAP archiving applications. Livelink ECM - Enterprise Report Management is a more traditional IDARS/COLD product with a large AS/400 customer base processing EBCDIC/ASCII data. Both Livelink ECM - Production Document Management and Livelink ECM - Enterprise Report Management can be integrated to the Livelink ECM Archive Server and the Livelink ECM Enterprise Server. Vista Plus provides output management, archiving and forms, and specializes in supporting output from Oracle, PeopleSoft and SAP. Open Text provides a number of options for enterprises with different needs, but its product portfolio approach can be confusing given the overlaps. The challenge for Open Text will be whether it can continue to enhance and support these varied platforms or bring these products together with a migration strategy for its customers.

Redwood Software

Redwood Software has a strong market presence in the healthcare market. Its Report2Web provides archiving and output management functionality, along with application-specific solutions, such as Report2Web for Healthcare and Report2Web for SAP solutions. The strength of Report2Web is its ease of use, implementation and integration with ERP applications. It is a good solution for managing line data, including

ASCII and EBCDIC text produced in applications on multiple platforms. Redwood's focus on solutions has generated revenue growth and helped define a PDF report delivery approach that interests many enterprises across a wide range of vertical markets.

RSD

RSD has a strong European presence and has committed to expand further into the U.S. market. Its IDARS suite is composed of three offerings, which include Enterprise Output Solution, RSD Folders and Doc2Print – a DOM component. RSD's enterprise content archiving suite provides a highly scalable product set with support across multiple platforms and low deployment costs. It is building a strong partner alliance program with key vendors in document composition. RSD needs to expand its sales channels and capabilities while enhancing its product functionality to compete in the changing IDARS market. RSD has added new ECM functions and solution modules to better support document management and delivery. RSD has been compared to CA in the past and often competes for displacement business. However, RSD has become more broadly capable and seems committed to reaching North American IDARS buyers with a better story around product and support.

Stellent

Stellent Universal Content Management provides IDARS as a feature set and extension of its ECM suite. Its product is predominately a departmental imaging and report management solution, but the integration with Universal Content Management provides broader ECM functionality. Stellent does not use the traditional hierarchical foldering structure for its archive and, instead, creates the folders as needed in a virtual approach. Archiving for different types of content, such as e-mail, is supported through integration or APIs with various archiving products. SAP archiving is supported through Stellent SAP ArchiveLink Integration, a certified SAP ArchiveLink product. Stellent's IDARS solution lacks the functionality and performance for typical report management applications and is best suited for image-intensive applications.

Systemware

Systemware provides highly scalable, multiterabyte IDARS applications with a strong customer focus. It continues to grow its financial service business with the introduction of Centraspect FS, which includes e-statement presentment, account records management

and loan document tracking. Although mainframe-based customers still comprise the largest segment of its installed base and revenue, more Systemware customers are using Centraspect in an open-systems environment, which includes support for IBM AIX, Sun Solaris, Linux and Windows. Systemware's newer Centraspect suite provides enhanced content integration and business process management capabilities. A key differentiator is its Legacy Archive Processor, which provides integration and direct access to legacy archives and can be used to streamline conversion efforts. Key challenges for Systemware are pricing – because its solutions tend to be priced on the high end – and expanding beyond its U.S. customer base. Consider Systemware for customer self-service applications and as a qualified competitor with IBM and Mobius.

Vignette

Vignette's IDARS product is a core component of its Vignette IDM platform. The integration with the ECM components in Vignette IDM and Vignette Portal extends the functionality of the product by offering content management capabilities and support for different content distribution channels. Vignette IDM also provides good integration with ERP business application software using its Business Integration Studio product and ArchiveLink for SAP. Vignette IDM has more-limited functionality for broader archiving applications, such as e-mail. Vignette IDM should be considered for IDARS if an enterprise needs the ECM functionality provided by the product platform. If the focus is on a combination of image and report archiving, then Vignette has good credentials and merits consideration.

Acronym Key and Glossary Terms

API	application programming interface
COLD	computer output to laserdisc
DOM	distributed output management
EBCDIC	Extended Binary-Coded Decimal Interchange Code
ECM	enterprise content management
EDI	electronic data interchange
ERM	enterprise report management
IDARS	integrated document archive and retrieval system
IDM	integrated document management

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, skills, etc., 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 of the individual business unit to continue investing in the product, to continue offering the product and to 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 in order 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, 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, etc.

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 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 product 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 set 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 verticals.

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.