

The Horizontal Portal Product 2003 Magic Quadrant

The portal product market is undergoing significant segmentation. Gartner presents the 2003 Magic Quadrant for a single segment of the market, the horizontal portal products.

Core Topic

Internet Platforms and Web Services:
Enterprise Portals

Key Issue

Which vendors and portal products will survive and succeed in the rapidly changing and fragmenting portal product market?

As Gartner forecast in September 2002 (see "Prepare for the Segmentation of the Portal Product Market"), the portal product market is in the process of segmentation. Vendors are aligning with each of the four segments:

- Application platform suite (APS) only (see "Application Platform Suites: An Emerging Software Market")
- Smart enterprise suite (SES) only (see "Smart Enterprise Suites: Coming to an Enterprise Near You")
- APS/SES combination
- Traditional package

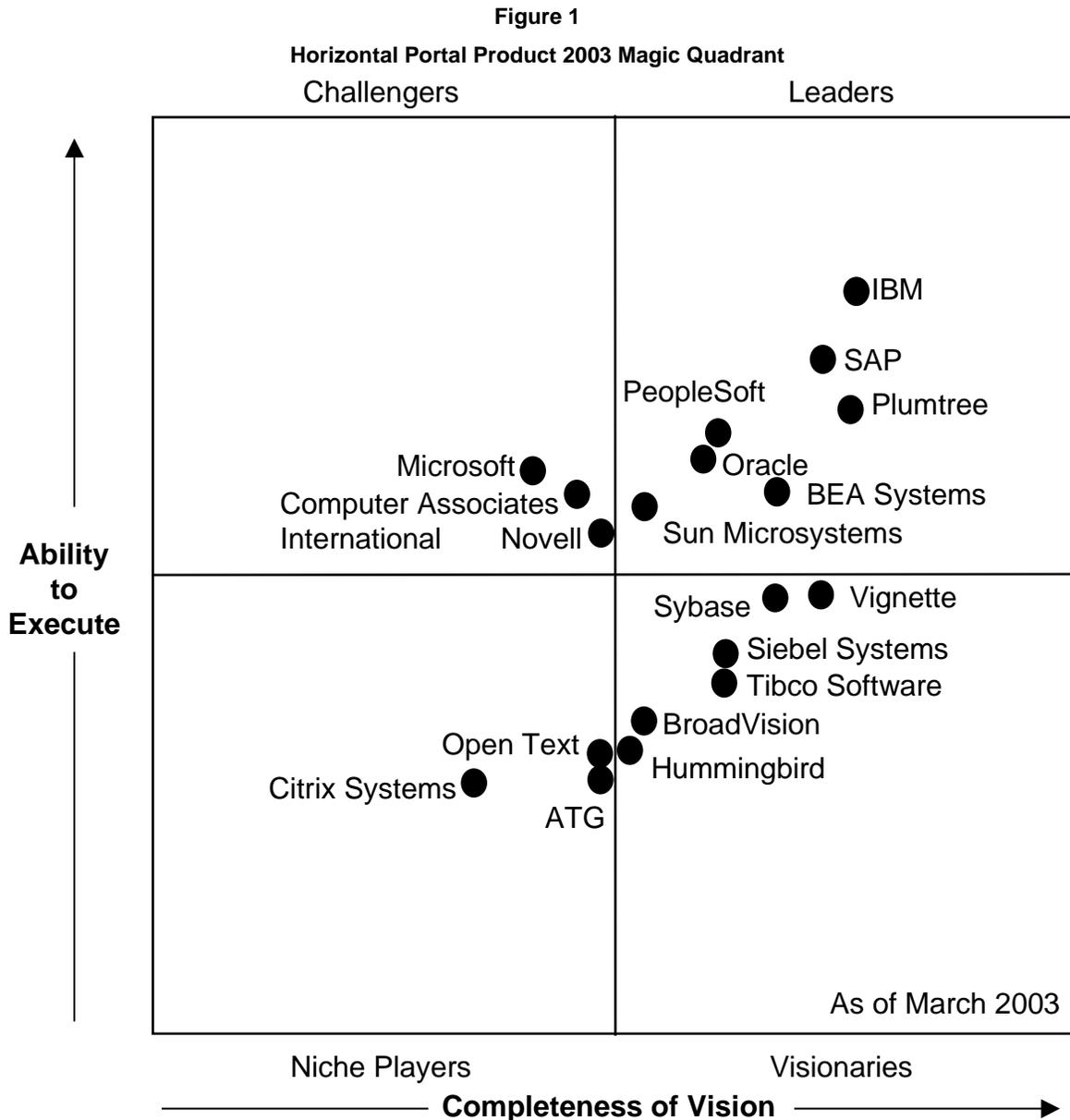
Because portal frameworks are being packaged many different ways due to this segmentation, the Horizontal Portal Product 2003 Magic Quadrant will be the last for a single-segment portal product market.

The portal product market underwent continued consolidation in 2002 and 1Q03. This is another sign that portal products represent a mature market. The large independent software vendors, especially those with an APS/SES combination, have gained significant traction and market share. The SES-only segment of the market continues to perform nicely as well. The APS-only and traditional segments of the market are quickly headed toward niche status.

The Horizontal Portal Product 2003 Magic Quadrant (see Figure 1) shows only a subset of the vendors in this market. Although the number of vendors has declined steadily from 100 in early 2000, there are still too many to include on a single chart. We focus on those vendors with the most impact on the market and that own software used to build and deploy horizontal enterprise portals in any of the four segments. For those selling an

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APS/SES combination, the portal framework is almost always associated with the APS.



Source: Gartner Research

Who's Out: We did not include:

- Vendors that provide vertical portals aligned with line-of-business applications, vertical portals aligned with collaborative/business intelligence applications (for example, Brio Technologies and Cognos) and portal solution providers (for example, Yahoo Portal Solutions)
- Vendors that have very limited geographic presence — for example, Sync (Sweden), Abaxx Technology (Germany) and Fujitsu (Japan)

- Vendors that are deemed too small or that have little impact on the market (for example, Viador and Abilizer Solutions)

Use of the Magic Quadrant: When using the Gartner Magic Quadrant, focusing exclusively on the Leaders quadrant is a mistake. There are many vendors in the other three quadrants with significant technologies that may be a perfect match for your needs. Making a shortlist of vendors by simply using the names in the Leaders quadrant is a shortsighted way to make a product selection.

More-Demanding Standards: Qualifications for entry have changed since the previous portal product Magic Quadrant was produced in May 2002. Vendors making little forward progress have moved to the left and down, as their more-competitive peers are passing them by. Generation 3 and Generation 4 capabilities, as well as the vendor's position relative to the segmentation of the portal product market, weighed heavily in this analysis.

- **Leaders:** The number of leaders has grown from six to seven, with two vendors (Oracle and PeopleSoft) moving into this quadrant, and one vendor (Sybase) moving out. There has been some additional shuffling among the leaders.
- **Visionaries:** The number of visionaries has dropped slightly. Several of the visionaries were acquired during 2002, and others left the portal product market. Two vendors, Vignette and BroadVision, moved into this quadrant from the Niche Players quadrant on the strength of technology improvement and acquisition.
- **Challengers:** Two vendors (Oracle and PeopleSoft) moved from the Challengers quadrant to the Leaders quadrant. No vendors moved from other quadrants up to the Challengers quadrant. As a result, the number of vendors in this quadrant has dropped significantly. Several vendors are poised to make the move into the Leaders quadrant.
- **Niche Players:** As is true of a maturing market such as portals, the number of niche players has dropped significantly. Many of the original vendors in this quadrant no longer exist, due to acquisition or business failure.

Our Rationale for Movement of the Vendors

ATG has changed its strategy and is now focused on providing personalized commerce and self-service applications that use its portal technology for consumer-oriented businesses. ATG moved into the Niche Players quadrant due to the lack of broad applicability for business-to-employee and business-to-business enterprise portals, as well as its limited set of portal complementary technologies.

BEA Systems has one of the few APS-only portal offerings. However, its statement of direction is to become an APS/SES combination vendor. Their portal strategy has improved with the advent of Workshop 8.0, its new development environment, but BEA Systems has many gaps to close to deliver SES functionality, and has not identified timelines or development/acquisition plans.

BroadVision improved its position. It has a well-rounded SES offering, and continues to build on its strengths in personalization and scalability. BroadVision likely has the most-deployed seats of all the portal vendors, with more than 59 million seats in operation, but continues to suffer financial difficulties.

Citrix Systems has significantly changed its portal strategy. It now delivers a "secured access portal," recently announced as the MetaFrame Access Suite, which almost exclusively focuses on providing access to applications through its MetaFrame architecture. It has not attempted to round out its portal offering with technologies usually considered part of the portal ecosystem (such as content management, search and collaboration). Instead, it will be focusing on providing the portal as an application-presentation layer.

Computer Associates International (CA) has improved its position with its SES offering. CleverPath is now managed as a brand within CA, and CA's portal is best of breed for business intelligence dashboards. To provide the most-robust portal platform, CA must close gaps in content management and integration.

Hummingbird had an SES strategy before Gartner first wrote about the concept. Hummingbird has slowed the pace of innovation of its portal technology and has seen low adoption. However, Hummingbird still has a complete suite.

IBM continues to "lead the pack" in several respects. With an APS/SES combination, its vision is well thought-out and its technology is very broad. Unfortunately, IBM's WebSphere portal continues to require a greater-than-average amount of effort to install, build and deploy. Many times, enterprises turn to IBM Global Services or other systems integrators to complete this effort. IBM has made strides to improve this area (for example, WebSphere Portal Express), and will likely make it a major focus for the remainder of 2003.

Microsoft improved its position with the advent of SharePoint Portal Server v.2, which is in beta test and is slated for launch in late 2Q03. Microsoft, an APS/SES combination vendor, still has some gaps to close, including integration, personalization and

multiple portal management. Microsoft refused to participate in or support either of the two portal standards efforts — Java Community Process' Java Specification Request (JSR)168 and Web Services for Remote Portals (WSRP) — but has informally stated that it will support WSRP once the specification, marshaled by the Organization for the Advancement of Structured Information Systems (OASIS), is finalized. Gartner is awaiting a formal declaration of support from Microsoft.

Novell improved its position through the acquisition of SilverStream in mid-2002, propelling it into the APS/SES combination segment. Once the assimilation of the SilverStream technology is complete, Novell will have a very strong portal platform, which can be leveraged against its large installed base.

Open Text entered the portal product market in early 2003 through the acquisition of Corechange. Corechange's technology closes significant gaps in Open Text's portal functionality, and rounds out its strong SES offering. However, Open Text still has a lot of technology assimilation to accomplish, especially during the first half of 2003.

Oracle has moved into the Leaders quadrant. Its APS/SES combination portal has gained significant traction, mostly because it was bundled into Oracle's 9iAS APS. Oracle has continued to push forward in functionality, and has a large number of deployments.

PeopleSoft has entered the Leaders quadrant. It is on a similar course with SAP, but just about a step behind. PeopleSoft has improved many aspects of its APS/SES combination portal, a key component of its composite application strategy.

Plumtree has continued to deliver quarterly profitability, despite the severe economic climate. Its initial public offering in April 2002 raised \$38 million in capital; it has used some of these funds to acquire needed technology to round out its SES offering. Plumtree's Corporate Portal is still known for rapid deployment, and has a growing list of satisfied customers.

SAP extended its visionary traits with the announcement of NetWeaver in February 2003. SAP's APS/SES combination offering is core to NetWeaver. Its vision of how its portal, EP, facilitates composite applications is very compelling. However, enterprises that implemented EP5 early in its release cycle in 2002 encountered significant difficulty due to immaturity in technology and product support, until SAP management rose to the challenge. EP6 will be more than nine months late (0.9 probability) due to quality programs implemented as a result of

EP5; this delay is likely to be acceptable to SAP portal customers.

Siebel Systems is new to the Horizontal Portal Product 2003 Magic Quadrant. Previously, it had a vertical portal offering centric to its applications. Now, it is selling its portal framework independent of its applications, and is pursuing an SES strategy. Siebel has a strong vision in the area of composite applications.

Sun Microsystems continues to reside in the Leaders quadrant. The SunOne portal, delivered through its APS/SES combination, came through the adoption by Sun of iPlanet in March 2002. The SunOne Portal, already highly scalable, has improved in the areas of presentation, collaboration, identity management and integration, but has failed to keep pace with many of its competitors. Although Sun has had a fair number of deployments, it had a few issues during 2002, including a 13-month delay in the release of its application-server-based portal, and the continuing absence of interportlet communication, an important feature of portal products.

Sybase has moved into the Visionaries quadrant. An APS-only vendor with APS/SES aspirations, Sybase made some important moves during 2002, including decoupling its portal (EP) from its application server (EA Server), and the acquisition of OnePage to enhance its portal development capabilities. Its technology remains strong, but Sybase has lacked traction in the overall market. Sybase has, however, had some success in the vertical markets where it has a strong presence (financial services, healthcare, telecommunications and the public sector).

Tibco Software is on an SES-only course, but has stated that its long-term strategy is APS/SES combination. Either course will prove challenging because Tibco's heritage is application integration, and it has gaps to close in the APS and SES areas. Tibco has had moderate traction, much of which was driven by channel relationships with Yahoo and Reuters.

Vignette has improved its position through the acquisition of portal pure-play Epicentric. Vignette is positioned to combine its industry-leading content technology, its collaboration and integration technology and the Epicentric portal to deliver a very strong SES package.

Acquisitions, Exits and Failures Since the 2002 Magic Quadrant

Abilizer Solutions is still in the portal product market, but has had very little traction.

Bowstreet abandoned the portal product market, focusing instead on Web services development tools to support portal development.

Compuware abandoned the portal product market, focusing on tools to provide portal-like access to mainframe systems.

Corechange was acquired by Open Text.

Enfish abandoned the portal product market, focusing instead on information retrieval and knowledge management.

Epicentric was acquired by Vignette.

Infolmage went out of business.

Netegrity abandoned the portal product market, refocusing on its security technology.

Acronym Key

APS	Application platform suite
CA	Computer Associates International
JSR	Java Specification Request
OASIS	Organization for the Advancement of Structured Information Systems
SES	Smart enterprise suite
WSRP	Web Services for Remote Portals

Bottom Line: The consolidation of the portal product market has been going on since early 2000, but accelerated in 2002. The impact of the integrated suites, application platform suite and smart enterprise suite segments has become very evident. The SES and APS/SES combination segments are positioned to completely dominate this market. Enterprises should look for continued consolidation among the middle-tier vendors, and the further dominance of large independent software vendors.