

OVUM OPINION

Oracle lands FatWire

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OVUM VIEW

Summary

On June 21, 2011, Oracle announced an agreement to acquire web content management (WCM) vendor FatWire, which specializes web experience management (WEM) solutions. WEM enables organizations to build and manage an engaging experience for site visitors. This acquisition will fill an important gap in Oracle's enterprise content management (ECM) portfolio. Although Oracle had some basic WCM functionality, the addition of FatWire gives Oracle the modern capabilities customers require to help complete their customer experience management solutions. The Web has become the main (and, in many cases, only) point of interaction between customer and organization, which is reflected in the growing number of WCM systems that are receiving targeting, optimization, social, and mobile capabilities and being marketed as WEM solutions. Therefore, the absence of this functionality in a WCM system is a serious weakness – something Oracle needed to address if it wished to remain competitive in the ECM marketplace.

Oracle needs to complete any integration work quickly

FatWire is a good fit for Oracle. A WCM system with WEM provides content targeting, analytics for optimization, social tools such as user-generated content and end-user personalization, and delivery to all online channels including mobile.

One of the requirements of a WCM system with WEM capabilities is that it integrates with customer relationship management (CRM) systems to enable marketers to create and execute marketing campaigns based on the metrics received through the analytics. Oracle already has CRM system Siebel in its portfolio, and some customers have implemented both FatWire and Siebel. However, to achieve maximum benefit from the acquisition, Oracle must ensure that any integration work required between FatWire and the ECM platform is completed quickly. Because Oracle's existing ECM Suite is part of its Fusion Middleware layer, once the initial integration is

complete, there should be no additional work required to ensure that FatWire integrates with other Fusion products. FatWire will also complement Oracle's business intelligence and portal technology, and other application products including its e-commerce suite, ATG Web Commerce.

Oracle's gain is EMC's loss

The acquisition of FatWire will impact leading ECM vendor EMC. EMC took the decision some time ago not to provide its own WCM capability, and signed a partnership agreement with FatWire more than a year ago, which added FatWire's WEM capabilities to the Documentum portfolio. In return, FatWire's customers were able to implement EMC's digital asset management solution, which had been the missing functionality from the FatWire product and a serious weakness. However, Oracle ECM Suite has extensive digital asset management capabilities that FatWire will be able to leverage. This means the partnership will now be more important to EMC than to Oracle.

EMC made a serious judgment error in selecting a partnership strategy rather than buying a WCM vendor with analytics capabilities. There was always a risk that the company it partnered with would be acquired. Although it is not yet known what will happen to the partnership between EMC and FatWire, it is unlikely that Oracle will be happy to allow a major competitor continued access to a product that provides a competitive advantage over some ECM platforms, and indeed some WCM systems. EMC needs to make a move quickly and acquire WCM capabilities of its own, the obvious candidate being SDL Tridion, with which it recently signed an agreement similar to that with FatWire.

Oracle is becoming a leader in customer experience management

The acquisition of FatWire, which follows that of ATG, which provided web commerce solutions, will enable Oracle to offer a complete customer experience management solution, which will include back-office integration with Oracle Fusion Middleware and CRM. This will enable Oracle to manage interactions across all channels and unify commerce, merchandising, marketing, and services; provide personalized experiences for consumers; and integrate order processing, supply chain management, and order fulfillment. This is a huge advantage over other ECM platform vendors, many of which rely on integration with third-party products to provide similar services.

This latest acquisition will strengthen Oracle's position in the ECM marketplace further, enabling it to challenge EMC's position as the leading vendor. Unless EMC responds and makes an acquisition of its own in the WEM space, Oracle could become the leading ECM vendor.



APPENDIX

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