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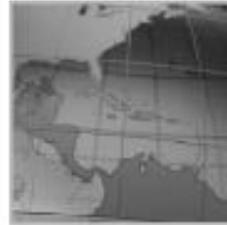
SharePoint 2010 Cost of Ownership:
Expect the Unexpected

How Oracle WebCenter Lowers Cost for User Engagement Solutions

InfoTrends
A Questex Company

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Key Research Findings

- SharePoint 2010 adoption relative to all SharePoint use is still low at 22%, with upgrades driven by social collaboration, composite applications, and enterprise application integration

- Pilot integration projects for SharePoint with enterprise applications have taken up to twice as long and doubled expected cost

- Just over 5% of three-year cost of ownership (**Figure 1**) is for SharePoint 2010 licensing. About 95% of cost is for third-party add-on software, infrastructure upgrades, customization and integration, as well as ongoing management and administration

Figure 1: SharePoint Three-year Cost of Ownership

5.7%
23.1%
33.5%
27.8%
9.9%

- ■ SharePoint 2010
- ■ Other Solution Software
- ■ Upgrade/Migration
- ■ Development & Integration
- ■ Mgmt & Administration
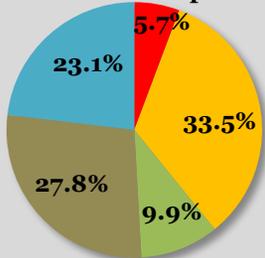
- Oracle WebCenter licensing cost is higher initially, but integration costs are 50%-66% lower and labor costs in years 2 and 3 are 32% lower than SharePoint

- WebCenter's overall three-year cost is 17% lower than SharePoint for a 1,000 user engagement portal scenario with integration to JD Edwards

Executive Summary

Microsoft SharePoint® and Oracle WebCenter® are two popular platforms for collaboration, content management, composite applications, and portals for companies of all sizes. For those fully-committed to Microsoft's server and desktop infrastructure, using SharePoint 2010 for basic collaboration and document sharing workloads can be a modest incremental investment—particularly if the focus is on implementing "out of the box" capabilities of SharePoint.

InfoTrends' research focused on companies deploying more advanced user engagement capabilities, specifically where substantive customization or integration with enterprise applications was required. These companies found the long term SharePoint costs grow from incremental to potentially prohibitive based on higher than expected costs for third-party add-on software, migrations from previous versions of SharePoint, development and integration, as well as ongoing management and administration. In fact, over three years, the cost of SharePoint 2010 licensing is just over 5% of the total cost with the remaining 95% represented by the aforementioned categories.

In contrast, Oracle WebCenter provides a more comprehensive and cost-effective solution to enable users to engage and collaborate on content and enterprise application data within business processes and activities. While licensing fees for WebCenter are certainly a higher portion of total cost, it can provide a lower and more predictable overall cost profile over time compared to SharePoint 2010 because of:

- **More Advanced Capabilities**: WebCenter is rich in native capabilities for Web experience management, imaging, records management, Web content management, social collaboration, and composite applications. This minimizes the need for third-party add-ons; custom development; and integration as experienced, in most cases unexpectedly, by SharePoint 2010 customers.
- **Fewer Software Prerequisites**: WebCenter lowers infrastructure costs because WebCenter is not as reliant as SharePoint 2010 on the synchronization of current versions of Microsoft server and desktop software products to deliver advanced capabilities.
- **Pre-built Enterprise Connectivity**: WebCenter provides an open and productized integration approach with many pre-built adapters to enterprise applications and content systems. When compared to SharePoint 2010's reliance on third-party adapters or custom development, WebCenter lowers the expensive cost of integration.
- **Less Human Intensive Administration**: WebCenter lowers the ongoing cost of management and administration due to a reduction in effort in administering third-party add-ons, customer development, and customized integrations.

This explains why the companies we interviewed, who had a choice between upgrading to SharePoint 2010 or deploying WebCenter, chose WebCenter for their internal and public facing user engagement solutions. Furthermore, it helps to explain why even for pure "Microsoft Shops" that 78% of users still have not been upgraded to SharePoint 2010.

Introduction: Cost of Ownership in the Enterprise

Cost of ownership is much more than just the price tag for software. It is about the overall investment required to develop, deploy, manage, and maintain a whole solution that meets the requirements of a business over the long term. The first major component of this is the "Solution Cost," including all software that needs to be purchased or built to meet business requirements. The second component, and typically the majority of total cost over the long term, is the human cost associated with building, integrating, enhancing, and managing a deployment. For this study, InfoTrends identified companies using SharePoint 2010 and companies experienced with using WebCenter and SharePoint (Table 1). Companies profiled were all large enterprises with annual revenue over USD $1B. In depth interviews and detailed costing data were collected to compare:

"We've chosen WebCenter for our external facing deployments because it provides so much more in terms of capability than SharePoint. We have a substantial internal deployment of SharePoint 2007 for basic collaboration and document sharing…and even if were able to upgrade to 2010 for free, it still didn't make sense for our customer and partner facing portals."

IT Manager, Security Software Provider

- Solution cost including the primary vendor product, third-party software, and any gaps in capability that required internal development

- Upgrade or migration costs, in the form of hardware, software licensing, and implementation, if the solution required a move from a previous version

- Customized development and integration costs

- Management and administration costs

Table 1: InfoTrends Research Participants (SharePoint and WebCenter)

Industry	Revenue	# of Users	Integrations (current/planned)
Financial Services	$10B+	5k	SAP
Auto Manufacturing	$10B+	10k	Microsoft Infrastructure
Financial Services	$1 - 5B	3.5k	Procurement (Ariba)
Public Utility	$1 - 5B	6.6k	JD Edwards, Hyperion, SAP
Defense Contractor	$5-10B	1k	Oracle E-Business Suite
Electronics Manufacturer	$10B+	35k	IBM, PeopleSoft, SAP
Security Software Provider	$1 - 5B	5k	None
Agricultural Co-Op	$10B+	5k	JD Edwards

The resulting dataset provided detailed cost profile information along with identification of areas where costs were in-line and where they were higher than expected. A comparative economic analysis of the actual and expected costs for these categories, based on deployments of SharePoint 2010 versus WebCenter, demonstrated why WebCenter can offer a different and lower long term cost of ownership profile for enterprise user engagement deployments.

The State of SharePoint from a Cost of Ownership Perspective

A subset of the primary research interviews focused on a quantitative analysis of large enterprise ($1B+ revenue) cost of ownership experience with SharePoint 2010. Nearly all of these companies are self-proclaimed "Microsoft shops" and the overall feedback was they were generally happy with SharePoint for existing workloads. Nevertheless, the results of interviews and data collection reveal some very real and interesting insights as companies implement and manage more advanced user engagement deployments:

- Despite SharePoint 2010 being GA for nearly a year and a half, relative use compared to previous versions of SharePoint is fairly low—particularly in the larger, heavy SharePoint user companies. SharePoint 2010 usage, on average, was only 22% of total SharePoint usage for the enterprises.

- While SharePoint Server and Enterprise CAL licensing is relatively low on a per user basis for enterprise scale deployments (particularly for companies with Enterprise License Agreements), the complete solution cost based on SharePoint is much higher based on the additional costs required for add-on software. These additional and ongoing costs include: social software, search tools, imaging and capture, development tools, and SharePoint integration software for enterprise applications. In fact, the SharePoint licensing cost itself for large deployments is just over 5% of the whole solution cost.

- Upgrading or migrating to SharePoint 2010 often comes with a significant infrastructural investment to align the versions and capabilities among a SharePoint dependent Microsoft server and desktop infrastructure, including Exchange, SQL Server, Lync/OCS, and Microsoft Office. In several cases, the investment in non-SharePoint Microsoft infrastructure was over three-times the SharePoint licensing.

- The complexity and cost for advanced capabilities has been much greater than expected from the perspective of the licensing, time and effort associated with integrations, as well as maintaining those integrations over time. Customers in the study are in the early stages of their more advanced SharePoint 2010 deployments with integrations to enterprise applications. The average integration project cost for the companies in the study was in excess of $500,000, which represented initial pilot integration to a single enterprise application.

- Management and administration costs are higher than expected for those companies with substantive custom applications and enterprise integration requirements. Specifically related to more advanced deployments, SharePoint administrators spend a majority (60%) of their day to day time on activities for site/template administration, content conversion, workflow administration, and integration administration, with nearly a third of the time spent on customization and integration activities.

- No companies in the study are using SharePoint for public-facing Websites or Web experience and, in many cases, have deemed the costs too high to evaluate the business requirements, technical requirements, and the suitability for SharePoint 2010 as the foundation for a public-facing Website. As a document-centric solution, SharePoint lacks key capabilities of multi-channel Web experience management, including true Web content management, personalization, targeting and segmentation, predictive analytics, e-commerce capabilities, as well as the integration required of these elements.

"We knew SharePoint integration was going to be expensive, but we far under-estimated what it would cost because 'we didn't know what we didn't know' going into it. Also, we are finding a growing need to tie in a number of different enterprise applications to achieve the business processes we want for us and our partners."

**CIO,
U.S. Defense
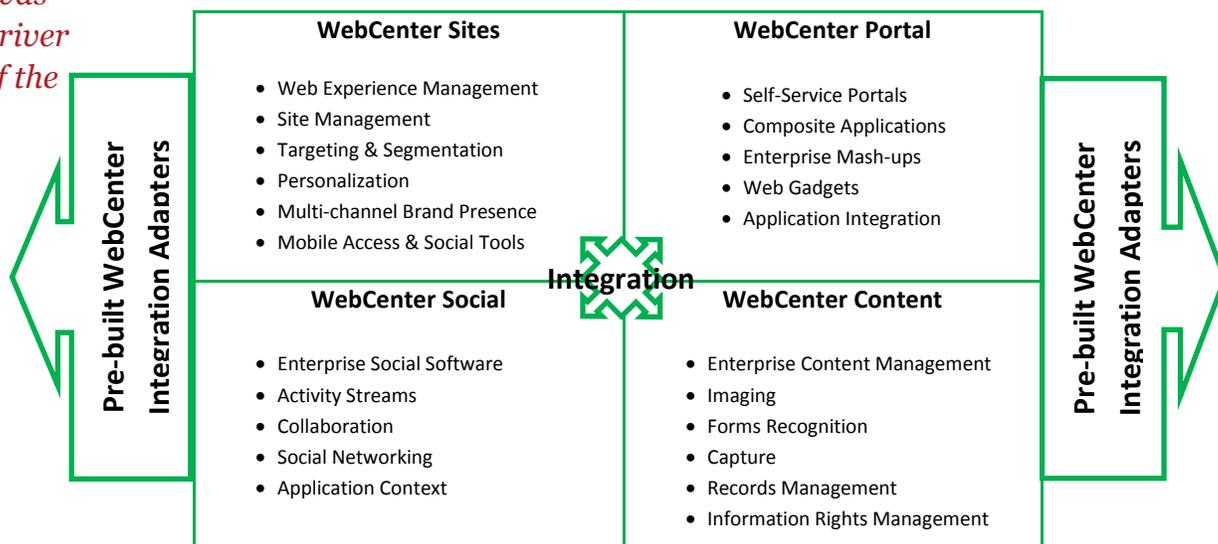Contractor**

A SharePoint and WebCenter Cost Comparison

In contrast to SharePoint, Oracle provides a fundamentally different solution and cost of ownership profile with WebCenter, which delivers a complete suite of portal, Web experience management, content, social, and collaboration technologies. Companies pay a server-based licensing fee for individual components or the entire suite—depending on the scope of business needs.

As illustrated in **Figure 2**, each product "pillar" of the suite includes a comprehensive set of functionality, which largely removes the need for third-party software purchases and implementation or internal development to fill capability gaps. Should business requirements include integration with content systems or business applications, companies have options to license pre-built adapters from Oracle or implement other components of Oracle Fusion Middleware for more advanced integration capabilities, such as Business Process Management (BPM) or Service Oriented Architecture (SOA).

"Our ability to cost effectively integrate and provide a very user friendly experience with our JD Edwards backend through WebCenter Portal was a big win for us. The ease of customization was an important driver in the success of the project."

Application Manager, Fortune 500 Agricultural Firm

Figure 2: Oracle WebCenter Native Capabilities & Integration

WebCenter Sites
- Web Experience Management
- Site Management
- Targeting & Segmentation
- Personalization
- Multi-channel Brand Presence
- Mobile Access & Social Tools

WebCenter Portal
- Self-Service Portals
- Composite Applications
- Enterprise Mash-ups
- Web Gadgets
- Application Integration

Integration

WebCenter Social
- Enterprise Social Software
- Activity Streams
- Collaboration
- Social Networking
- Application Context

WebCenter Content
- Enterprise Content Management
- Imaging
- Forms Recognition
- Capture
- Records Management
- Information Rights Management

Pre-built WebCenter Integration Adapters

This approach significantly lowers the labor cost associated with integration, development, as well as ongoing management and administration. Lastly, while WebCenter is certainly optimized for Oracle business applications, InfoTrends found WebCenter less dependent on particular IT infrastructure, business, and productivity software. Oracle WebCenter customers noted its suitability to more heterogeneous IT environments. For this reason, InfoTrends found this can reduce implementation costs and, in many cases, extend the value of existing or legacy investments. For example, WebCenter Portal can access content stored in WebCenter Content (Oracle's enterprise content management solution) or content in other stores, such as Documentum or even SharePoint.

Solution Cost for Advanced User Engagement

The initial, and perhaps most important element, of the cost of ownership analysis is the understanding of software requirements needed to meet the business needs for advanced user engagement solutions. For the companies included in this research, SharePoint itself was viewed as a foundational building block rather than the solution itself. Though SharePoint 2010 provides a base level of functionality across the SharePoint product pillars (i.e., sites, content, composites, community, search, and insights), these capabilities often need to be augmented to create a complete solution for advanced business requirements.

Some examples of add-on components purchased by companies in the study are included in **Table 3**. While not all of these solution elements were included in each of the deployments, it provides a general picture of the third-party add-ons and associated investments required for SharePoint 2010 and WebCenter customers.

"We are trying to create our own internal Facebook. SharePoint natively doesn't provide the capability we need to do this so we have licensed a third-party product to complement SharePoint to the tune of $300k."

IT Director, Electronics Manufacturer

Table 3: Add-on Solution Software Cost Examples

Element of Cost	SharePoint 2010	WebCenter
Social Software Solution	$300,000 (third-party: Social Cast)	Included in WebCenter license (Oracle WebCenter)
Imaging Software	$150,000 (third-party: KnowledgeLake)	$100,000 (Oracle WebCenter family)
Identity Management	Not needed by research participants	$75,000 (Oracle Fusion Middleware)
Integration Software	$50,000 (third-party: IBM)	$12,000 - $20,000 (Oracle WebCenter family)
Search Software to Augment Search Capability	$40,000 (third-party: BA Insight)	Included in WebCenter license* (Oracle WebCenter) *up to .5 million documents
Development Software to Enable Bulk Content Upload	$10,000 (third-party: Bamboo)	Included in WebCenter license (Oracle WebCenter)
Capacity Planning Software for Migration	$7,500 (third-party; not disclosed)	Not needed by research participants

In many cases, these third-party software costs, as well as the magnitude of these costs, were a surprise to SharePoint customers. In addition to the initial purchase or subscription costs, these software products introduced an additional long term stream of support, integration, management, and administration. Companies deploying WebCenter also made additional investments for modules licensed separately from the core WebCenter licensing, namely imaging, integration adapters, and identity management. The difference with their SharePoint counterparts was that these were licensed from Oracle and part of the WebCenter and Fusion Middleware product family. This specifically decreased the initial and long-term cost streams of integration, management, and administration because of the more unified and cohesive experience across the various components.

"The CAL licensing cost has been more than we expected. This also has a ripple effect to our support costs. As much as I like SharePoint—when you keep on wanting to use it more, your cost really goes up."

IT Director, Auto Manufacturer

Another point that surfaced in the research was the Microsoft CAL, or named user-based licensing model, for SharePoint 2010. On an enterprise licensing basis, it is a modest investment (under $100 per user), particularly given the size and discount levels of the research participants. Nevertheless, it was indicated as a potential cost impediment to rolling out SharePoint to broader internal and external user communities. One interviewee used a cost containment strategy of using a Citrix farm to provide "virtual access" to their 10,000 external partner users. This kept CAL licensing costs down, but did not give them as rich of a user experience as it required an anonymous login on a partner basis.

In contrast, Oracle WebCenter is priced on a server capacity basis and, assuming sizing is performed adequately upfront, the solution capabilities can be rolled out to additional internal or external users with no additional software fees and without losing user-based credentialing and personalization. This CPU-based pricing, however, can be somewhat limiting for smaller and mid-size companies where the entry price for WebCenter may be high in relation to SharePoint for smaller user communities.

A Cost Example of a User Engagement Portal with Application Integration

To understand the impact of the solution software cost differences on long term cost, InfoTrends modeled SharePoint 2010 and Oracle WebCenter costs over three years. This was based on data from several deployments of the interviewees in the study, considering the following scenario details:

"SharePoint for us just provides the building blocks; we know we are going to need to develop this capability ourselves or potentially purchase a third-party software application. We are concerned about the risks involved in building it ourselves, given the limited integration tools or adapters to our existing business systems."

IT Director, Financial Services

- 6,600 total SharePoint users, with 1,000 migrated to SharePoint 2010 or WebCenter for a portal application accessed by employees and customers
- Contextual portal presentation of application (JD Edwards) and relevant document-based information (stored in SharePoint)
- Existing content stored in SharePoint 2007
- Integration with JD Edwards ERP application
- Social software requirement to add richer social media capability

Figure 3: SharePoint vs. WebCenter Cost of Ownership Profile Comparison
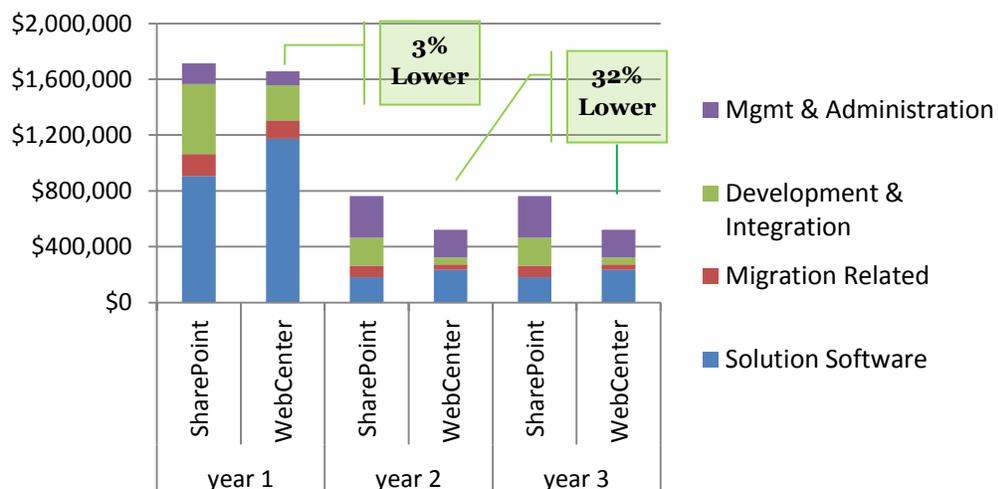
As illustrated in **Figure 3**, opting for SharePoint results in an incremental investment in SharePoint 2010 licensing, but there is substantial initial and ongoing cost associated with the total solution software cost. There are also significant costs for migrating from SharePoint 2007 enterprise application integration to JD Edwards, as well as ongoing management and administration. By contrast, the costs for WebCenter demonstrate how the company leverages their existing content infrastructure of SharePoint 2007 using a pre-built WebCenter integration adapter, while also taking advantage of pre-built adapters from Oracle to JD Edwards to lower the long term cost.

Though the costs of SharePoint 2010 licensing are minor in the context of the overall investment, when analyzing the software solution costs and the other important cost categories, the first year costs are actually slightly lower (3%) for the WebCenter deployment. In years 2 and 3, despite the higher costs for WebCenter software and support, the overall costs for WebCenter are significantly lower (32%) due primarily to the lower effort and cost associated with maintaining integrations and managing a single vendor environment with less customization.

Table 2 provides a description of the three year costing details for the categories in the analysis of Figure 3, based on the research conducted during the course of the project.

"One major cost concern on our part with SharePoint is having to invest in a lot of labor to connect JD Edwards, Hyperion, and potentially future systems where there's going to be a continuous investment to maintain those integrations going forward."

IT Director, Public Utility

Table 2: Cost of Ownership Comparison
(User Engagement Portal Scenario; 1k users)

Cost Element	SharePoint Three Year Cost of Ownership	WebCenter Three Year Cost of Ownership
Solution Software Costs* *includes 3 years of support	• $185,500 for SharePoint 2010 licensing and support (CALs and Server licensing) • $525,500 in other Microsoft Software licensing and support • $560,000 in Third-party Software Licensing and support • **Cost is 23% lower than WebCenter**	• $1,312,500 for WebCenter Portal licensing and support (8 CPUs) • $330,750 for WebCenter Adapters for SharePoint and JD Edwards licensing and support
Upgrade/ Migration Costs	• $50,000 in net new hardware • $250,000 in implementation and content conversion costs	• $50,000 in new hardware • $135,000 in implementation costs • Leverage content in SharePoint 2007 using WebCenter integration adapter for SharePoint • **Cost is 36% lower than SharePoint**
Development & Integration Costs	• No adapters available for JD Edwards • $900,000 in development and integration costs (3 years)	• Adapter licensing for application and content included above • $350,000 in development and integration (3 years) • **Cost is 61% lower than SharePoint**
Management & Administration Costs	• $750,000 in management and administration (3 years) • 33% of time spent on customization and integration maintenance	• $500,000 in management and administration (3 years) • 10% of time spent on customization and integration maintenance • **Cost is 33% lower than SharePoint**
Total 3 Year Cost	• $3.2 Million	• $2.7M Million • **Cost is 17% lower than SharePoint**

Solution Cost for Public Websites & Web Experience Management

As companies expand intranet infrastructure, a next logical step is to leverage that common infrastructure and assets for the public-facing Web. Though the Microsoft customers interviewed for this project are self-proclaimed "Microsoft shops" vested in large internal SharePoint deployments, none of them are currently using SharePoint for their public facing Web presence. Some of the interviewees did evaluate the costs for using SharePoint for their public Website from a base content and portal perspective, and deemed it too expensive to evaluate the full spectrum of business requirements.

When comparing the investment of elements required for a complete Web experience management platform, it is clear that there are many additional components that would need to be added to SharePoint, particularly as compared to Oracle WebCenter. As illustrated in **Table 4**, WebCenter includes several capabilities not available with SharePoint and only achievable via third-party vendors as an add-on to SharePoint. The result is a third-party purchase beyond SharePoint from vendors such as SDL or Sitecore.

"The use of SharePoint for our public Website just wasn't practical right up front. We didn't even get to the point of addressing whether it was a fit from a business requirement standpoint based on the cost and change management that you would go through to do something like that."

VP of IT, Financial Services

"With our recent acquisition, we could roll out SharePoint 2010 for free. We've chosen to continue with WebCenter for our advanced external facing deployments because it provides so much more in terms of capability."

IT Director, Security Software Provider

Table 4: Web Experience Management (WEM) Expected Costs

Element of Solution	WEM based on SharePoint (Average Est. Cost Range for Partner Add-ons)	WEM based on WebCenter
Base Platform	SharePoint Server 2010 for Internet Sites ($45k/server)	WebCenter Sites ($100k/CPU)
Web Content Management	• $600k - $1m from third-parties (SDL, Sitecore) in software licensing ($75 – $125k per solution element)[1] • 2-3x license costs for implementation and integration[1] • $150k - $250k in vendor annual maintenance/support fees[1] • 20% of initial implementation and integration costs for ongoing maintenance of solution [1]*Estimates provided from InfoTrends research participants who evaluated third-party WEM solutions*	Included in WebCenter Sites (Pre-built integration between solution elements)
Segmentation/ Targeting module		
Analytics		
UGC Content		
Personalization		
Gadget Server		
Mobile Channel Module		$30k/server
Caching Server		$25k/server

In fact, a security software provider interviewed had deployments of WebCenter and SharePoint 2007. They noted that they were recently acquired and, through the acquisition, could upgrade to SharePoint 2010 at no charge. Despite this, they deemed WebCenter the more viable solution for their external deployments. The fact of the matter is that SharePoint is just one small part of an overall investment in an advanced public Web infrastructure.

The Hidden Costs of Migration

Regardless of the use case or deployment scenario, enterprises need to factor in the costs of getting to the desired solution from where they are today. For SharePoint 2010 or WebCenter, this can be a costly endeavor and is very dependent on the existing infrastructure plans going forward. According to WebCenter customers interviewed, implementation was costly but customers cited more options for leveraging existing investments in content and business applications. Some of the research participants were able to keep implementation costs in check by not performing major conversions and, instead, using integration adapters to access content.

SharePoint research participants found what they initially viewed as a version upgrade to take advantage of the capabilities of SharePoint 2010, turning it into a costly migration venture from a hardware, licensing, and implementation cost standpoint. Some of the SharePoint cost considerations that surfaced in our research includes:

- **Hardware Cost to Support 64-bit Hardware or Augment Performance in Relation to SharePoint 2007**: Several interviewees cited the need for additional hardware in their migrations from SharePoint 2007 to SharePoint 2010. One spent $100,000 more than expected building a new server farm for their SharePoint 2010 deployment, serving 10,000 users with the same configuration as their existing SharePoint 2007 server farm providing for 25,000 users. They experienced performance bottlenecks after initial deployment and required four additional servers ($25k each) to add the capacity to support the user base.

- **Microsoft Infrastructure Licensing Costs**: In many cases, the upgrade or migration to SharePoint 2010 necessitates upgrades to a variety of other Microsoft server and desktop infrastructure so the systems can "talk to each other," and the full capabilities of SharePoint 2010 can be realized. One customer who upgraded to SharePoint 2010 for social media capabilities ended up spending $1.2 million to upgrade SharePoint, SQL Server, Exchange, and desktop productivity software to the latest versions. Only a third of that investment was for SharePoint licenses.

- **Upgrade or Migration Implementation Costs**: Whether it was a straight in place upgrade from a previous version of SharePoint or a software migration with a new deployment, the research participants found the process of getting to SharePoint 2010 took longer and cost more than they expected. It took one company over twice as long as anticipated (six resources over the course of three months), based largely on the dependencies of other Microsoft business and productivity software applications, as well as the need to re-connect those systems after the upgrade.

- **Sustaining Integrations**: One other important factor mentioned by several of the interviewees was the perceived difficulty and expense in carrying forward significant integrations to enterprise applications from SharePoint 2007 to SharePoint 2010. In the words of an IT Director for a $10B+ Public Utility with 6,600 SharePoint users, "In my opinion, if that integration effort was spent on SharePoint 2007, then it would open up Pandora's box—meaning how do we migrate it over to 2010? What are the complexities? What are the incompatibility issues? It just would have been a cost and a manpower nightmare to go down that path."

The Human Cost of Customization & Integration

Beyond the software and implementation costs of WebCenter and SharePoint 2010, perhaps the area of biggest interest for companies looking at advanced user engagement solutions is the cost of customization and integration of enterprise applications. InfoTrends' primary research indicates this is one area where the time and costs are largely unknown prior to the project from the perspective of the initial work as well as ongoing maintenance and administration. Research into customization and integration is summarized in **Table 5**.

"We are a bit concerned that if we can't make SharePoint work for the smaller projects, there is a much greater risk for the larger integration projects we would like to do such as PeopleSoft and SAP."

IT Director, Global Fortune 50 Electronics Manufacturer

Table 5: Integration Comparison

Comparison Element	SharePoint 2010	WebCenter
Types of Projects	• Initial pilot projects with limited scope, mostly internal	• Production, mission critical projects for internal and external users
Integration Adapters	• Limited availability of adapters; Licensed from third-parties when available	• Content and Enterprise Application Adapters available from Oracle (licensed separately)
Content System Integration	• No adapters available • Most companies importing/converting content to SharePoint 2010 (even from prior versions of SharePoint)	• Adapters for Documentum and SharePoint • Pre-built integration to WebCenter Content • Some companies leaving content in legacy systems to reduce implementation costs
Enterprise Applications Cost and Time	• $550,000 average for pilot integration project (double the anticipated cost) • Average of 60 man-months of effort (range of 6-12 months duration)	• 50%-66% lower cost and less time using pre-built integration adapters compared to integration "from scratch" • $250,000 average for integration project; 4 -6 month duration
Administration & Maintenance	• 20%-25% of initial cost for developers/integration specialists to maintain integrations	• 10% of initial cost for developers/integration specialists to maintain integrations

Integration adapters for SharePoint are limited or not fully mature for a number of content and business applications, including IBM, SAP, and Oracle, leading to time and labor intensive integrations that are also costly to maintain over time. The maintenance cost in labor terms is 20%-25% of the initial integration investment annually. In terms of content systems, SharePoint is not well suited to integrate with other enterprise content management systems. As such, companies ended up converting and importing content from existing systems into SharePoint, raising implementation and administration costs.

Companies using Oracle WebCenter found that with pre-built integration adapters to content and enterprise applications, the initial and ongoing integration cost (and time) can be half of the costs of having to integrate without adapters. The primary reason is that developers and integration resources do not spend any time writing foundational integration code and focus instead on connecting the requisite data and content.

Administration: A Long Term Cost of Ownership Consideration

Management and administration costs represent a large portion of the ongoing labor costs associated with SharePoint 2010 deployments, particularly those with extensive customization or integration. A key element of research sought to understand where SharePoint and WebCenter administrators spent their time on a day-to-day basis, based on the following activities:

- User/Group/Permissions Administration
- Site Administration (Templates, Web Parts)
- Content Analysis/Conversion/ Import/Storage
- Metadata/Index/Search Management

- Customization (Workflows, Services, Desktop)
- Integration Related Activities
- Diagnostics/Performance/ Troubleshooting
- Replication/Backup/Restore
- Patching/Upgrading
- Proactive Planning Activities

The results from InfoTrends' research reveal three important elements:

1. WebCenter management and administration costs are 33% lower overall due to less effort and time required for the these activities on the whole.

2. SharePoint administrators are spending a third of their time (33%) on ongoing customization and integration related activities, whereas their WebCenter counterparts are only spending 10% of their time on these activities. This amount of time and effort in many cases was greater than the expected cost of SharePoint administration, due to the level of customization and time spent on maintaining integrations to enterprise applications.

3. WebCenter administrators are spending more time on value added activities, such as performance tuning and proactive planning activities.

"Our SharePoint admins are definitely spending more time than we thought they would constantly customizing templates and working on proper flow. It's understandable because of the complexity of it. We try to have a very customized look and feel of our intranet that they're matching."

IT Director, Financial Services

Figure 4: Overall Admin Cost & Distribution of Administrator Time
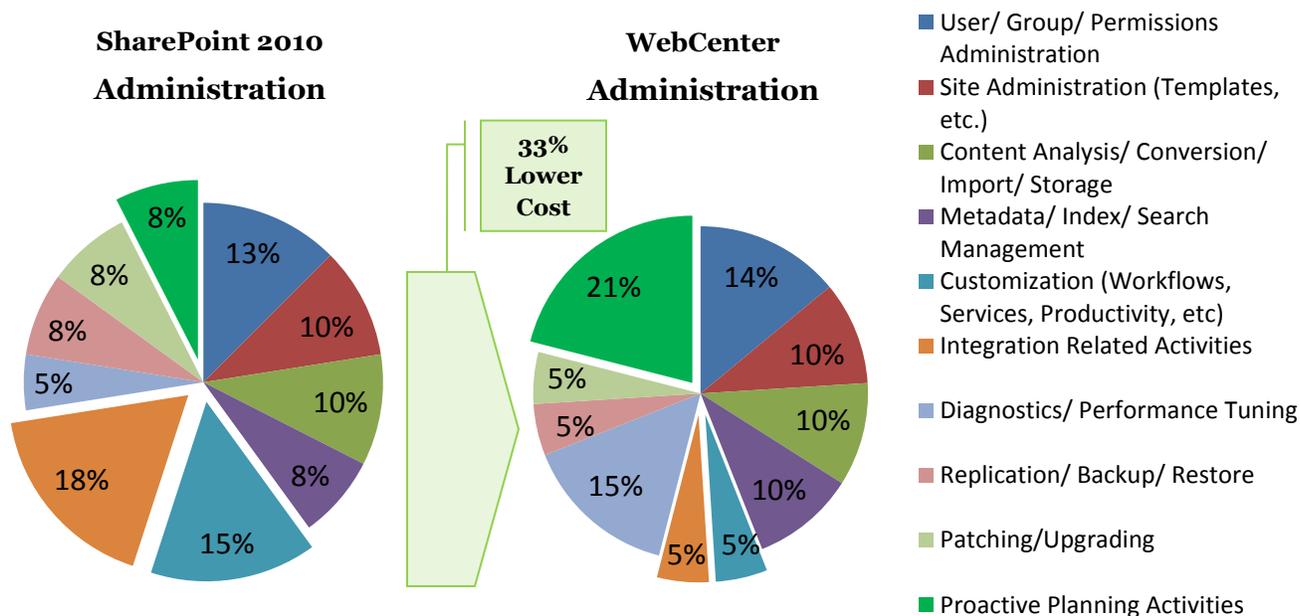
InfoTrends' Opinion: How WebCenter Lowers Cost of Ownership

As a cost and business-effective alternative to SharePoint 2010 for advanced user engagement, Oracle WebCenter provides a comprehensive platform for the following areas: Web experience management, portals, composite applications and mash-ups, enterprise content management, and social collaboration software. Compared to SharePoint, WebCenter offers a lower and more predictable cost profile for the initial and ongoing cost elements in a long term deployment because of:

- **More Advanced Capabilities**: WebCenter is rich in native capabilities for Web experience management, imaging, records management, Web content management, social collaboration, and composite applications—minimizing the need for third-party add-ons; custom development; and integration as experienced, in most cases unexpectedly, by SharePoint 2010 customers.

- **Fewer Software Pre-Requisites**: WebCenter lowers infrastructure costs because WebCenter is not as reliant as SharePoint 2010 on the synchronization of current versions of Microsoft server and desktop software products to deliver advanced capabilities.

- **Pre-Built Enterprise Connectivity**: WebCenter provides an open and productized integration approach with many pre-built adapters to enterprise applications and content systems. When compared to SharePoint 2010's reliance on third-party adapters or custom development, WebCenter lowers the expensive cost of integration.

- **Less Human Intensive Administration**: WebCenter lowers the ongoing cost of management and administration due to a reduction in effort in administering third-party add-ons, customer development, and customized integrations.

Despite the tendency to focus exclusively on license costs, InfoTrends' opinion and recommendation is for companies to evaluate the full spectrum of costs across a variety of business requirements over at least three years. To conduct an adequate comparison, potential buyers need to factor in the complete solution software costs; upgrade/implementation costs; as well as initial and long term integration, management, and administration costs.

A final comment for enterprise companies is based on findings into the substantial costs to migrate to the latest versions of SharePoint 2010 and WebCenter, particularly for more advanced deployments with enterprise application integration. Companies using SharePoint were very concerned about the cost and risk associated with investments in highly-customized integrations and sustaining them with future versions of SharePoint. With the next release of SharePoint potentially slated for the end of 2012, it begs the question whether companies should engage in a large scale customization or integration project with SharePoint 2010, or hold out to do them with the newer version of SharePoint. In contrast, companies using Oracle WebCenter were far more comfortable investing in and carrying forward integrations in the face of future Oracle platform and application releases.

"We use SharePoint pretty widely internally for collaboration, but based on our requirements specifically around application integration, social capabilities, and personalization, we have chosen WebCenter for our major partner and customer facing portals. We are now leveraging these integration and portlet development investments going forward for our entire public web Web presence."

Application Manager, Fortune 500 Agricultural Firm