

MARCH 10, 2014

# Compass Guide to WCM, Q1 2014

## Evaluation of e-Spirit FirstSpirit 5.0

**By:** Tony White



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# e-Spirit FirstSpirit 5.0 Product Evaluation

**By:** Tony White

**Date:** March 10, 2014



## ARS LOGICA POSITION

FirstSpirit demonstrates as clearly as any product on the market the benefits of a best-of-breed platform. The product's ability to assemble the feature-functionality of a wide range of enterprise software solutions into a single user interface dramatically improves usability across platforms and simplifies the execution of business processes involving multiple enterprise applications. Although e-Spirit currently has a slight presence in North America, Ars Logica expects the vendor to do well over the next 18 to 24 months based on both the merits of the platform and the company's strong executive leadership.

## NOTES & RESOURCES

### Compass Guide Vendor Questionnaire

Some company and product information contained in this report was collected via Ars Logica's 172-item vendor questionnaire. Vendor responses were independently verified through customer interviews, implementation monitoring, Ars Logica's comprehensive knowledge base, and hands-on product testing.

### Product Testing

Ars Logica conducted hands-on product testing of FirstSpirit 5.0 in January and August 2013.

### Customer Interviews

Ars Logica interviewed users of every product covered in the Compass Guide, including FirstSpirit 5.0.

### Implementation Monitoring

Since the 1990s, Ars Logica founder Tony White has kept close tabs on ongoing WCM implementations. Some of this knowledge is represented in the Compass Guide reports.

### No Vendor Influence

Ars Logica retains complete editorial control over the Compass Guides and receives no funding in their production.

## e-Spirit Vendor Overview

Founded in Dortmund, Germany, in 1999, e-Spirit (a subsidiary of the adesso Group) is a vendor with a long track record of success implementing its products in complex IT environments. Although the vendor has captured some marketshare in the UK and will likely do the same in North America, e-Spirit's customer base is concentrated primarily in western Europe. The FirstSpirit platform itself is a true enterprise-class, Java-based CMS whose hallmarks are its excellent architectural flexibility and its industry-leading integration capabilities. The vendor's customers are typically medium to large enterprises such as Mercedes Benz, Olympus, Santander Bank, and the Media-Saturn Group, Commerzbank and Geberit. The company is currently focusing on continued moderate growth of its customer base in Europe as it aggressively expands in North America. Though the strength of the vendor's sales and marketing channel is marginal, e-Spirit can boast about its significant relationships with key technology players such as IBM, Demandware, SAP, Liferay, and Red Hat.

### Company Profile

Year Founded: 1999  
Headquarters: Dortmund, Germany; North American headquarters in Boston, MA  
Employees (or FTE equivalents): 120  
Geographies: Europe, North America  
Revenue: \$18 million  
Product Types Offered: CMS/WCM  
Commercial or Open Source: Commercial  
Strategic Implementation Partners: BlueSky, Falcon Software, Tacit Knowledge, ISITE Design, IBM, CSC  
Top Competitors: Adobe, SDL, OpenText, HP  
Key Vertical Industries: Retail, financial services, energy, manufacturing

### Product Profile

Product Name: FirstSpirit  
Version: 5.0  
Next version release date: March 31, 2014  
Market segment: Enterprise  
Average Sales Price (License Only): \$200,000  
Technology Platform: Java  
Key Strengths: Industry-leading integration capabilities, multi-application process enablement, excellent usability, architectural flexibility  
Key Limitations: Slight market share in North America, somewhat limited partner network  
Highest-Value Use Case: Deployment at a large global enterprise seeking to integrate a CMS with multiple enterprise software platforms

## Vendor History & Product Evolution

Realizing early-on that the CMS requirements of large enterprises were fundamentally different from those in the rest of the market, e-Spirit focused from the start on developing a CMS solely for large enterprises with heterogeneous IT environments. In the first three years after the founding of the company, e-Spirit's early notions had been reinforced by work at a number of its "high-end" clients, and the vendor's initial resolve to build a highly flexible, scalable, and best-of-breed CMS platform only strengthened. With this commitment came clarity about the ways in which the platform would need to support this segment of the market, such as high availability, built-in redundancy, disaster recovery contingencies, support for myriad databases, complex workflow integration, and so on.

Between 2007 and 2009, with the 4.0 and 4.2 releases, the product essentially took a form that we in 2013 would recognize as FirstSpirit CMS, adding quintessential features such as drag-and-drop between multiple applications within a single user interface and the multi-tabbing feature (allows editors to work within multiple components in the same window). The next two years witnessed continuous minor refinements to the platform, until 2011 brought about a major new addition: the AppCenter (approximately two years ahead of its time – more on this subject at a later date), which essentially allows any enterprise Web application to run within the CMS UI. In 2012, FirstSpirit 5.0 further improved usability and greatly simplified the publishing of content to multiple output channels. So to summarize in three parts, in 1999 - 2004, e-Spirit grew from inception to 30 employees; in 2004 - 2009 from 30 to 70; and in 2009 - 2014 from 70 to 110. At the end of Part One, the company had three offices; in Part Two, nine; and in Part Three, thirteen. So the company's growth since its founding has been rather consistent and linear. Ars Logica suspects that this will soon change. The combination of FirstSpirit's product quality, the platform's process-unifying capabilities, and the understated-but-energetic optimism of e-Spirit's executive leadership, leads Ars Logica to believe that 2014 will see a marked shift from linear to exponential growth for the company as it gains traction in the North American market.

## Key Recent Developments

The most significant recent development at e-Spirit has been the prioritization in Q4 2013 of completing the FirstSpirit-Demandware integration. Because the integration provides a highly compelling value proposition to retail customers selecting a combined CMS/E-commerce solution, the company has begun aggressively pursuing the online retail market, investing substantial resources in sales and marketing. The timing of this integration is auspicious for e-Spirit in that 2013 has brought about growth in the e-commerce software market the likes of which we haven't seen since the tech bust of 2001. Indeed, renewed vigor in the e-commerce platform market, the ascendancy of digital marketing technology, and the process-unification made possible in the FirstSpirit UI may well be harbingers of an explosive year both for FirstSpirit the product and e-Spirit the company.

## Profiling the Ideal Buyer

The ideal buyer of FirstSpirit is the large enterprise with a heterogeneous IT environment into which a CMS can serve as a unifying element for multiple other enterprise applications – in particular, e-commerce platforms or portals. To broaden this characterization a bit, FirstSpirit can also be of extreme value to any organization seeking to furnish its non-technical business users a unified view of complex business processes involving multiple enterprise applications (from IBM, SAP, Microsoft, and Liferay, for example). Indeed, for some customers, the most compelling value proposition of FirstSpirit rests in its integration capabilities, followed by its so-called “feature-functionality.” The ideal FirstSpirit buyer will realize that substantial value can be obtained in both areas.

- **Large Corporation Seeking a CMS that Integrates Across Enterprise Platforms**

Much of e-Spirit’s success over the last couple years has come from selling into large enterprises that have standardized on software platforms from IBM, Microsoft, SAP, and Liferay. In these environments, FirstSpirit can serve as both unification layer and CMS.

- **Organizations Seeking a CMS to Unify Business Processes**

FirstSpirit is the first CMS to incorporate a user interface that so seamlessly exposes the workings of multiple Web applications in drag-and-drop fashion. This capability can be used to deliver a simplified view of business processes that span multiple enterprise platforms.

- **Online Retailers Seeking an Integrated CMS/E-Commerce Platform**

Starting in Q4 2013 and continuing for the foreseeable future, a key – if not *the* key – market for e-Spirit will be online retail. FirstSpirit may well serve as a digital marketing enabler for many customers in this market segment.

## FirstSpirit Will Not Be a Good Fit, If...

Since FirstSpirit is an enterprise CMS through and through, small and midsize companies will not likely find the product to be a good fit. The exception to this will be the midsize that derives a high percentage of its revenue from online retail, and therefore for whom the complexity of combined CMS and E-Commerce requirements approximates that of large companies.

Not to belabor the obvious, but while FirstSpirit supports non-Java infrastructure at the web server or delivery tier (SharePoint integrations are also feasible), the platform is Java-based and therefore requires a Java environment on the front and back ends. FirstSpirit will also not be suitable for companies seeking suite-based application platforms. And finally, FirstSpirit may not be a good fit for companies that rely heavily on digital agencies that have standardized on non-Java CMS platforms.

## Key Product Strengths

Many of FirstSpirit's strengths stem from three platform characteristics: (1) best-of-breed architecture, (2) its ability to serve as a hub for business processes involving multiple enterprise applications, and (3) the dramatic usability improvements that result from such process unification. While it is true that these strengths all ultimately derive from the integration capabilities of the platform, business users may only notice what would seem to be a magical simplification of multi-step processes such as managing the components of pages on an retail website or publishing to a variety of enterprise portals. For instance, envision the online marketer maintaining both the product content and transactional aspects of an e-commerce site that pulls both structured and unstructured, static and dynamic, content from a variety of sources and assembles it at run-time into what an online customer would consider to be "a web page." Properly implemented and integrated, FirstSpirit will allow this marketer to manage the process from within a single user interface. (Ars Logica will publish more on the technical underpinnings of such use cases at a later date). To simplify greatly what is happening here, the combined feature-functionality of FirstSpirit and other enterprise applications is assimilated and presented to the non-technical user in what would seem to be a single application.

**FIGURE 1** FirstSpirit 5.0, Key Product Strengths and Limitations

**Below are several key product strengths and limitations that potential buyers should keep in mind when assembling vendor shortlists.**

### KEY STRENGTHS

### KEY LIMITATIONS

Industry-leading integration capabilities	Slight market share in North America
Unusually strong multi-application process enablement with a few key technology partnerships that make this meaningful	Best-of-breed approach will not satisfy customers looking for multi-application solutions from a single vendor.
Combination of a best-of-breed CMS platform with integration options that deliver the results of some large application suites	Overwhelming concentration of partners and customers in Europe may concern U.S. customers.
Excellent usability	Limited partner network
Relative ease of creating highly dynamic websites (SmartDynamics)	

Source: Ars Logica, Inc.

Source of Information: Product testing, customer interviews, vendor questionnaire, vendor briefings

## Key Product Limitations

The greatest liability for both e-Spirit as a vendor and for its potential customers is the company's limited partner network. At a time when the mature WCM market is progressively morphing into Web experience management, customer experience management, and multi-channel digital experience management, digital agencies are gaining influence in the decision-making process of prospective customers. It is therefore critical for vendors such as e-Spirit – if they are to achieve success (especially in the U.S. market) – to develop strong ties to pure-play digital agencies and to professional services firms with a core competency in digital marketing. Though e-Spirit proves to be a strong product, even great products fail in the marketplace if they lack visibility at key points in the customer buying cycle.

Exacerbating this problem, at least in North America, is that the overwhelming concentration of partners and reference customers for FirstSpirit are in Europe. This creates the perception among prospective U.S. buyers that services and support for the platform may be lackluster when compared to products from e-Spirit's regionally stronger competitors. Reinforcing the problem of a limited partner network and distant reference customers is the more basic problem of e-Spirit's slight market share outside of Europe. To be clear, these challenges are not – and do not result from – product weaknesses. But as we know, forward momentum can be difficult to establish if the market's perception is not that it does not already exist. To articulate the problem more precisely in a hypothetical way, given two identical products, buyers may scramble for the one that is already selling well, and want nothing to do with the one that isn't. So while Ars Logica believes that e-Spirit as a vendor will do very well in North America based on the product quality and strong executive leadership, the vendor must dramatically strengthen its own sales and marketing channels rather quickly if it plans to begin tapping its real potential within the next 24 months.

Although a core product strength for some customers, FirstSpirit's best-of-breed approach will not satisfy customers looking for a suite of applications from a single vendor. While the kind of process unification and improved usability described in this report are derived directly from such a best-of-breed approach (and therefore not from a product suite), a significant portion of those looking for customer experience management or digital marketing solutions will want suite-based products from a single vendor. Such customers should not consider FirstSpirit. Simply put, best-of-breed architecture is a weakness for some customers and a strength for others.

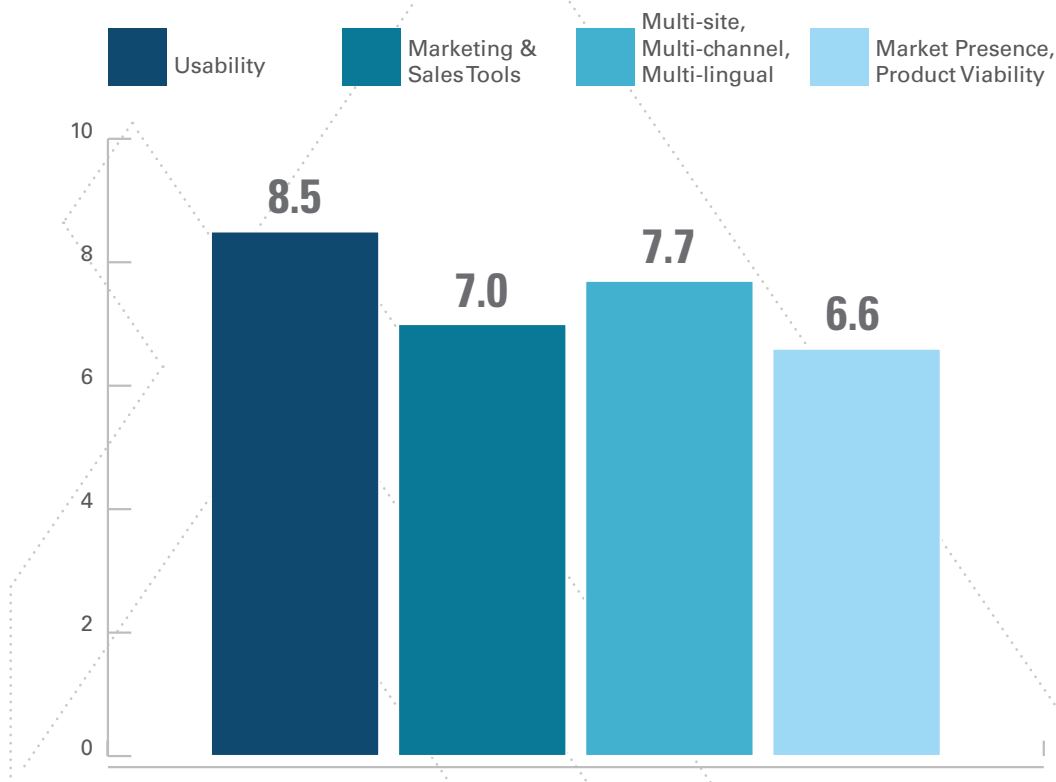


## Vendor/Product Report Cards

The features, functions, and technical underpinnings of WCM products vary wildly, as do the customer requirements they are intended to satisfy. For this reason, the only reliable way to assure the best product fit for a particular client is to spend anywhere from several weeks to several months assessing the client's specific needs and analyzing product capabilities line by line. Still, Ars Logica is frequently asked to rate products in categories such as those in Figures 2 and 3. In using these ratings, please take care not to compare products in different market segments (see the Product Profile section of Page 4).

**FIGURE 2** FirstSpirit 5.0 Report Card for the Business User

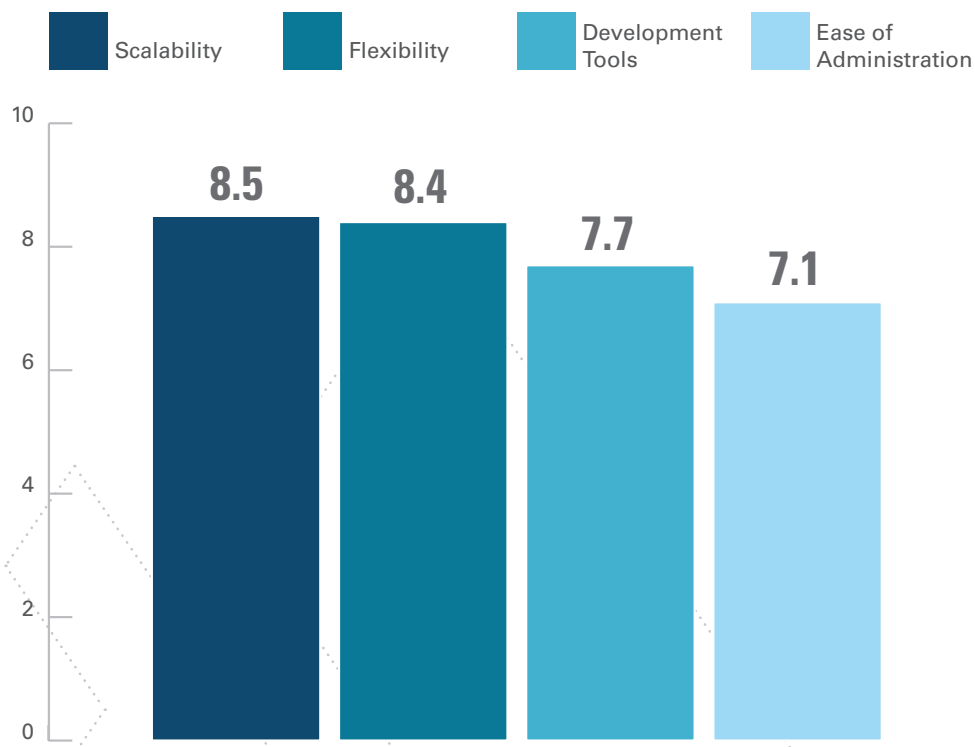
**Figure 2 shows Ars Logica's rating of FirstSpirit 5.0 in four categories of critical importance to business users. Refer to Page 11 for an explanation of the evaluation criteria.**



*Source of Information: Product testing, customer interviews, vendor questionnaire, vendor briefings*

**FIGURE 3** FirstSpirit 5.0 Report Card for Technologists

Figure 3 shows Ars Logica's rating of FirstSpirit 5.0 in four categories of critical importance to technologists. Refer to Page 12 for an explanation of the evaluation criteria.



Source of Information: Product testing, customer interviews, vendor questionnaire, vendor briefings

## Report Card Evaluation Criteria

In the process of analyzing WCM solutions, Ars Logica has established a set of evaluation criteria, which at the highest level can be separated into four categories for non-technical business users and four categories for technologists. Scores in these categories represent averages of a large number of detailed criteria, and are meant to be used as a means of quickly comparing products within the same market segment.

### Criteria for Business Users

- **Usability**

Usability refers to the relative ease of learning and using a WCM application. For non-technical business users, factors contributing to high scores in this category include intuitive and consistent user interfaces, streamlined task completion (i.e. minimal number of steps to complete a task), integration with the desktop, contextual editing capabilities, and documented high user adoption rates among a vendor's customers.

- **Marketing & Sales Tools**

Increasingly, enterprises are relying on marketing and sales tools within WCM applications to improve sales conversion rates, increase average transaction amounts, draw customers back to their Web sites, analyze online behavioral patterns, and so on. This category rates the presence and quality of such tools.

- **Multi-Site, Multi-Channel, Multi-Lingual Capabilities**

This category assesses a product's ability to support multiple sites; deliver content to multiple channels on multiple devices; and create, store, present, disseminate, and/or translate content into multiple languages. Scores in this category represent an average of a product's capabilities in all three of these broad functional areas.

- **Market Presence, Product Viability**

The Market Presence, Product Viability category rates both a vendor's overall market presence relative to competitors and its dedication to the continued development of its WCM products. If these two factors are not aligned with each other, an explanation of why will be included.

## Criteria for Technologists

- **Scalability**

Scalability refers to the ability of a product to function well as system demands increase. Factors contributing to scalability are database size, query efficiency, bandwidth consumption, ease of system management, caching efficiency, load balancing, and mass content deployment capabilities.

- **Flexibility**

Flexibility denotes a product's ability to integrate easily with existing enterprise infrastructure, including operating systems, Web servers, databases, directories, development tools, and other enterprise applications such as ERP, CRM, document management systems, search, portals, and so forth.

- **Development Tools**

This category describes the quality of a product's integrated development environment (IDE), the technologies that the IDE incorporates, and overall ease of customized application development. Although this category refers primarily to development frameworks (Eclipse, e.g.), other ad hoc tools are also included, such as page templates, HTML/XML editors, WYSIWYG editors, PDF generators, and any other software that enables or eases the production, formatting and dissemination of content.

- **Ease of Administration**

Some WCM products require significantly more work to administer (sometimes 5-10 times more) than others. This category rates the relative resource intensity required to keep the system running smoothly, where higher scores reflect less work. Roughly speaking, higher scores also indicate better coordination of application components due to more methodical system design.



## SERVICES

### Advisory Services

Ars Logica is a vendor-neutral analyst firm helping companies evaluate their WCM requirements and select appropriate WCM software. To address clients' content management-related questions and problems that arise throughout the year, Ars Logica offers unlimited direct analyst access through its Analyst Anytime advisory services. These annual, subscription-based services provide guidance by phone or email within 24 hours on a wide range of issues. The number of inquiries submitted throughout the year is not limited.

### Software and Technology Selection

In our Software and Technology Selection engagements, Ars Logica maps clients' functional, technological, and strategic requirements to potential WCM solutions and identifies the software vendors whose products best satisfy these requirements. We maintain a continuously updated comprehensive matrix of the feature-functionality of most WCM vendors' products and solutions. We also receive frequent briefings from these vendors and have in-depth conversations and consulting engagements with their customers, ensuring that we always understand the actual state of vendors' offerings as well as their forward-looking strategic directions.

### Custom Engagements

Ars Logica's expertise in WCM and related technologies such as digital asset management, records management, marketing campaign management, search, and portals, gives us the open-ended ability to help clients on a wide range of projects, including: building internal business cases, assessing technology requirements, analyzing software products and vendors, selecting and assembling software solutions, crafting Web strategies, and running corporate educational seminars. We also assist vendors in developing strategic roadmaps, and we and present our view of the WCM market at industry conferences and end-user events.

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