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The Forrester Wave™: Contract Life-Cycle Management, Q3 2008

by Andrew Bartels

for Business Process & Applications Professionals



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Ariba, Emptoris, SAP, Selectica, And Upside Software Are The Leaders

by **Andrew Bartels**

with Sharyn Leaver and Heidi Lo

EXECUTIVE SUMMARY

In Forrester's 110-criteria evaluation of contract life-cycle management (CLM) vendors, we found that Ariba, Emptoris, SAP, Selectica, and Upside Software led the pack because of their advanced functions for contract creation, contract repositories, analysis and reporting of contractual exposures and benefits, and contract compliance. Nextance and Oracle E-Business Suite were close behind, with very capable products. This put them in the Strong Performer category, along with CMA Contiki (based in Norway) and Symfact (based in Switzerland). I-many, Open Text, and Oracle PeopleSoft Enterprise Supply Chain Management (SCMT) are also Strong Performers (especially for their installed base), with products that offer all standard and some advanced functions of current-generation CLM. Omniware is not on a par with the other vendors, but it is a Contender with an attractive price and basic functions for CLM.

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NOTES & RESOURCES

Forrester conducted product evaluations in May and June 2008 and interviewed 13 vendors and more than 40 user companies, including Ariba, CMA Contiki, Emptoris, I-many, Nextance, Omniware, Open Text, Oracle E-Business Suite, Oracle PeopleSoft Enterprise SCMT, SAP, Selectica, Symfact, and Upside Software.

Related Research Documents

["Contract Life-Cycle Management Attracts New Entrants"](#)

August 10, 2007

["The Forrester Wave™: Contract Life-Cycle Management, Q1 2006"](#)

March 10, 2006

CONTRACT LIFE-CYCLE MANAGEMENT HAS BECOME A HIGH-POWER APPLICATION

Contract life-cycle management (CLM) products are designed to manage all the stages in the life cycle of a contract (see Figure 1). And, at the risk of engaging in a bit of hyperbole, we believe that CLM could turn out to be one of the most important new business applications of the first decade of the 21st century. Why? CLM plays a critical role in helping companies operate with more dynamic, uniquely defined partner relationships — especially in business-to-business (B2B) interactions — and soon CLM will help manage internal business relationships (e.g., the IT department with business partners). CLM is also allowing general counsels and legal departments to play a more proactive role in business risk management, as well as enabling CFOs to improve Sarbanes-Oxley compliance. Plus, CLM helps companies improve the performance of their balance-sheet assets and liabilities as well as their intangible assets and liabilities such as brands, key customer and supplier relationships, and intellectual property, which we at Forrester believe is the next frontier of software for optimizing business results.¹

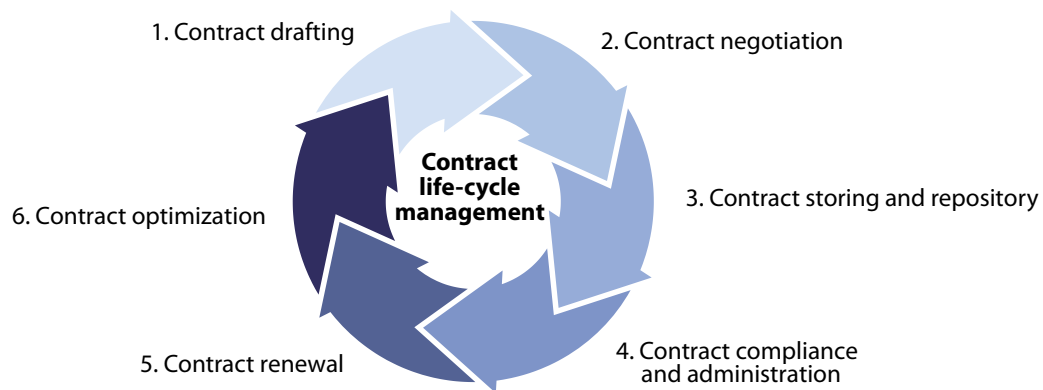
Two and a half years ago, when we did the last Forrester Wave™ evaluation on contract life-cycle management, the products were relatively new and still taking shape.² Since then, an increasing amount of enterprises have recognized the value of CLM in providing the following: online access to contracts, analytics of contract conflicts and opportunities, contract creation process automation with improved controls and reduced direct legal involvement, and better contract compliance through integration into transaction systems. As a result, Forrester's analysis of CLM market data shows that purchases of CLM are growing at rates in excess of 25%, and we continue to get more client inquiries about CLM than any other ePurchasing product. Three key trends have emerged to make the CLM market even more dynamic and CLM products even more important to enterprises:

- 1. Acquisitions and new entrants reshape the competitive landscape.** Since 2005, Emptoris acquired diCarta's CLM product, Open Text acquired Hummingbird, and Ariba bought Procuri. Nextance, which had been having financial difficulties, found a safe haven through its acquisition by Versata. SAP, which was not a factor in 2005, has become one of the market Leaders, building on a CLM product that it gained when it bought Frictionless Commerce. And three small European CLM vendors — Norway-based CMA Contiki and Omniware and Switzerland-based Symfact — expanded from their home market starting points.³
- 2. General counsels look for enterprisewide solutions.** A few short years ago it was unclear as to whether process-centric CLM or enterprisewide CLM would be most successful. As we predicted, it is enterprisewide CLM that has won out, with the vast majority of enterprises opting for CLM products that allow them to more effectively create and manage all contracts on a single platform, as opposed to separate platforms for buy-side or sell-side contracts. One reason for the dominance of enterprisewide CLM is the growing role that general counsels are playing in the selection process. These stakeholders want a single CLM for their lawyers to use.

3. Vendors add performance management, project management, and proposal creation.

Enterprises that want to buy CLM have articulated needs for the product to tie contract analysis into supplier performance management activities, to support the flow from sales proposal to contract on the sell side, and to handle all the stages of contract-related activities in complex project-based agreements. In response, vendors have added functions in these areas.

Figure 1 Contract Life-Cycle Management — What's Involved



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Source: Forrester Research, Inc.

CONTRACT LIFE-CYCLE MANAGEMENT EVALUATION OVERVIEW

To assess the state of the contract life-cycle management market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of 13 leading CLM vendors.

Evaluation Criteria Focus On How Products Manage All Stages Of A Contract's Life Cycle

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 84 individually scored criteria and a total of 110 criteria (including summary criteria that aggregate individually scored criteria), which we grouped into three high-level buckets:

- **Current offering.** We evaluated how well the product supports the creation of contracts, the importing of legacy contracts and contracts from third parties, reporting and analysis of existing contracts, the management of contract compliance, and the optimization of their contracts' value. We assessed their abilities to manage buy-side contracts, sell-side contracts, and intellectual property contracts. In terms of features, we rated them on how well they integrate with other applications, hosting options, support for global businesses, and technology requirements and options.

- **Strategy.** Our assessment of vendor strategy measured their product strategy (in terms of pricing strategy, planned enhancements, and technology partners); corporate strategy (in terms of focus and target customers); and financial resources to execute the strategy.
- **Market presence.** We measured market presence using a combination of installed base, employees, product revenues, and product revenue growth.

Forrester used vendor surveys and interviews to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- **Client interviews.** For each vendor, we interviewed two to three reference clients to get their perspectives on the product's strengths and weaknesses and the vendor's support and responsiveness.

Evaluated Vendors Handle All Types Of Contracts Through The Full Life Cycle

Forrester included 13 vendors in the assessment: Ariba, CMA Contiki, Emptoris, I-many, Nextance, Omniware, Open Text, Oracle E-Business Suite, Oracle PeopleSoft Enterprise SCMT, SAP, Selectica, Symfact, and Upside Software. Each of these vendors has (see Figure 2):

- **CLM products that support both buy-side and sell-side contracts.** Because most companies are looking for a CLM product that can support multiple contract types, we focused on vendors that offer such products. As a result, we excluded worthy products from Model N, Sterling Multi-Channel Selling, and others that just have sell-side contract support, as well as from BravoSolution, Enporion, Global eProcure, or other ePurchasing product vendors that have predominantly buy-side contract support. We also excluded special-purpose contract management products such as Accruent's real estate contract management product or the trademark licensing products.
- **CLM products that support the full contracting process and life cycle.** For this reason, we excluded products from the enterprise content management vendors like Hyland Software, EMC Documentum, Interwoven, IBM FileNet, and Microsoft that just support the contract drafting activity or from vendors whose contract repository treats the contract as a single document object instead of discrete terms and conditions, making the products hard to integrate to transaction systems that need those discrete terms and conditions. Ecteon and C-Lutions opted not to participate in this Forrester Wave evaluation.

Figure 2 Evaluated Vendors: Product Information And Evaluation Criteria

Vendor	Product evaluated	Product version evaluated	Product release date
Ariba	Ariba Contract Management 9r1 on CD	9r1	June 2008
	Ariba Contract Management 9s5 On Demand	9s5	March 2008
CMA Contiki	Contiki ECM	6.4	Feb. 2008
Emptoris	Emptoris Contract Management	7.0	May 2008
I-many	I-many Contract Management	6.1	June 2008
Nextance	Nextance Contract Management	6.5	June 2008
Omniware	Omnicom Contracts Management	3.31.137	April 2008
Open Text	Livelihood ECM — Contract Lifecycle Management	2.0	Aug. 2007
Oracle E-Business Suite	Oracle Procurement Contracts, Oracle Service Contracts, Oracle Sales Contracts, and Oracle Project Contracts	R12	Jan. 2007
Oracle PeopleSoft Enterprise	Oracle PeopleSoft Supplier Contract Management	R9.0	Sept. 2006
SAP	SAP Contract Lifecycle Management	2.0	June 2008
Selectica	Selectica Contract Performance Management	3.2	March 2008
Symfact	Symfact contractX	3.0.1	March 2008
Upside Software	UpsideContract	5.4*	June 2007

Vendor selection criteria

Does the solution support both buy-side and sell-side contracts?

Does the solution support the full contracting process and life cycle?

*Version 6.0 was released in April 2008.

Source: Forrester Research, Inc.

EVALUATION ANALYSIS: MANY CAPABLE PRODUCTS, WITH FIVE LEADERS

The evaluation uncovered a market in which (see Figure 3):

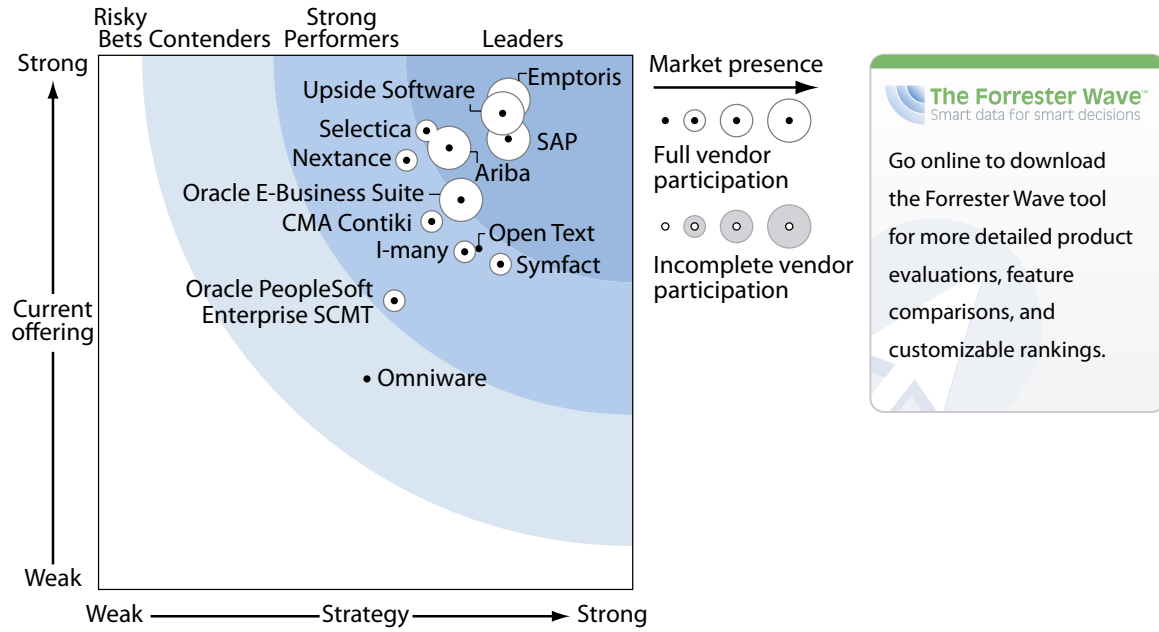
- **Ariba, Emptoris, SAP, Selectica, and Upside Software lead the pack.** Emptoris and Upside Software scored the highest in current offering, followed by SAP, Selectica, and Ariba. These vendors have a high proportion of advanced features and functions in their CLM offerings, such as multiple ways to create contracts, granular controls on how contracts can be changed,

sophisticated repository search and reporting tools, and proven ability to handle all types of contracts effectively. Emptoris, SAP, and Upside had the best strategy scores thanks to their financial resources, product road map, and pricing strategy, with Ariba and Selectica not far behind.

- **CMA Contiki, Nextance, and Oracle E-Business Suite offer very strong products.** The products of these three vendors have very competitive features and functions that place them right on the edge of the Leader segment. However, they have a slightly lower proportion of advanced functions and features compared with the first group. Nextance had slightly stronger scores for Current Offering due in part to its capabilities in contract negotiation and sell-side contracts (especially its sales proposal capabilities), while CMA Contiki and Oracle E-Business Suite had better strategic positioning. CMA Contiki has a strong pricing strategy and target market focus, despite relative weaknesses in financial resources and technology partnerships. Conversely, Oracle E-Business Suite has strong financial resources and the ability to sell to all segments of the market, offsetting a less appealing pricing model.
- **I-many, Open Text, Oracle PeopleSoft, and Symfact are other Strong Performers.** These vendors' products score in the middle of the pack in features and functions. From a strategy perspective, Symfact looks very strong thanks to its pricing strategy, product road map, and target market focus, while I-many and Open Text look about the same based on their financial resources and market focus, and Oracle PeopleSoft Enterprise SCMT lags because of its pricing model and product road map.
- **Omniware lacks some key features and functions, but it has some unique strengths.** Omniware has a basic but functional product, and its very low price point makes it attractive for those who want a low-cost, basic product with strengths in buy-side contracts.

This evaluation of the contract life-cycle management market is intended to be a starting point only. It is based on this analyst's assessment of the vendors' products, and the weights assigned to the criteria are general ones that measure breadth of options. For example, this evaluation gives equal weighting to hosted single-instance offerings or hosted shared-instance offerings, even though clients would choose one or the other (or neither), not both. Readers are therefore encouraged to view detailed product evaluations and adapt the criteria weighting to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Figure 3 Forrester Wave™: Contract Life-Cycle Management, Q3 '08



Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: Contract Life-Cycle Management, Q3 '08 (Cont.)

	Forrester's Weighting	Ariba	CMA Contiki	Emptoris	I-many	Nextance	Omniware	Open Text	Oracle E-Business Suite	Oracle PeopleSoft Enterprise SCMT	SAP	Selectica	Symfact	Upside Software
CURRENT OFFERING	60%	4.22	3.54	4.78	3.16	4.08	2.00	3.16	3.71	2.68	4.31	4.37	3.06	4.64
Contract creation	10%	4.10	3.30	4.90	2.90	4.60	2.20	3.20	3.70	3.30	4.20	4.70	2.60	4.80
Existing and third-party contract support	5%	4.40	3.60	5.00	2.40	4.00	2.00	3.20	3.60	3.00	4.20	4.60	4.60	4.60
Contract repository	15%	4.40	4.60	4.90	3.10	4.10	2.80	3.40	3.80	2.80	4.90	4.70	3.10	4.40
Contract negotiation	5%	4.60	4.00	4.60	3.00	5.00	2.80	3.00	3.40	2.50	4.00	4.40	2.80	4.60
Contract types supported	20%	3.96	3.90	4.72	3.16	3.96	1.96	2.72	4.16	2.30	4.02	4.18	3.18	4.58
Contract approval	10%	4.00	2.80	4.60	3.20	4.80	0.80	3.40	3.60	3.20	4.20	4.80	2.40	5.00
Contract fulfillment tracking	5%	4.40	2.10	5.00	3.40	4.50	1.40	3.20	3.00	3.40	4.40	5.00	3.40	4.40
Contract optimization	5%	4.60	4.20	5.00	3.00	4.40	2.20	3.00	4.00	2.80	4.60	4.60	3.60	5.00
Contract process management	5%	3.40	4.60	5.00	3.40	4.00	3.00	3.00	3.80	2.40	4.00	3.80	3.40	4.40
Integration	5%	4.20	2.60	5.00	3.20	4.00	0.40	3.40	3.60	2.40	3.40	4.00	3.00	4.00
Hosted options	5%	4.76	1.92	4.14	3.44	0.80	0.56	2.80	2.64	0.80	4.84	3.92	1.78	4.30
Globalization	5%	4.60	3.40	4.80	3.80	3.80	3.00	3.40	4.40	3.20	4.80	3.80	4.00	4.80
Technology	5%	4.20	2.80	4.40	3.40	4.20	2.30	4.00	3.20	2.50	4.40	3.40	2.60	4.60
STRATEGY	40%	3.28	3.12	3.84	3.44	2.88	2.44	3.56	3.40	2.80	3.84	3.08	3.80	3.76
Product strategy	40%	3.50	3.50	4.00	3.40	2.80	3.50	3.40	3.00	2.10	3.50	3.40	4.30	4.00
Corporate strategy	40%	3.00	2.80	3.60	4.00	2.60	1.40	3.00	3.00	2.40	3.60	3.20	3.40	3.60
Financial resources to pursue strategy	20%	3.40	3.00	4.00	2.40	3.60	2.40	5.00	5.00	5.00	5.00	2.20	3.60	3.60
MARKET PRESENCE	0%	4.26	2.32	4.31	2.98	2.01	1.84	1.97	4.52	2.26	4.04	2.49	2.45	4.26
Installed base	40%	4.70	3.20	3.70	3.00	1.70	2.10	2.20	4.50	2.80	4.60	2.40	3.60	4.60
Employees	10%	3.80	1.40	4.30	2.80	2.30	1.00	2.90	4.20	3.40	5.00	2.30	1.10	4.20
Revenue	40%	4.00	1.00	5.00	3.00	2.00	1.00	1.00	5.00	1.00	3.00	2.00	1.00	4.00
Revenue growth	10%	4.00	5.00	4.00	3.00	3.00	5.00	4.00	3.00	4.00	5.00	5.00	5.00	4.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders Have Many Advanced Features And Functions For Contract Life-Cycle Management

- **Emptoris offers one of the top CLM products.** In 2006, Emptoris acquired diCarta, which had been a leading vendor in contract life-cycle management from its start in 1998 and which had a leading product in our 2005 Forrester Wave evaluation.⁴ Emptoris has continued to invest in and improve this product, and once again it received one of the top scores for Current Offering, and it obtained one of the top scores for Strategy. The product excels in contract creation, imported and third-party contract support, contract repository, types of contracts supported, contract negotiation, contract fulfillment tracking, contract optimization, and contract process management. Emptoris also had top scores for features such as integration and hosted options, and near top scores for technology. Emptoris is well positioned strategically, with good or very good product and corporate strategies and sufficient financial resources to be successful. It has a very high market presence even though its installed base of clients is smaller than other companies. Why? Emptoris has historically sold successfully into large enterprises that needed a premium solution to support complex global deployments. However, Emptoris has recently used its “on ramp” CLM offerings to provide scaled-down solutions at lower price points for the broader market.
- **Upside Software becomes a leading CLM vendor.** Upside Software started in 2000. While it initially focused more on ease of adoption and deployment rather than leading-edge features, Upside Software has been innovating and adding advanced capabilities more recently. As a result, it now offers a very good contract life-cycle management product that is virtually on par with Emptoris and is slightly ahead of SAP and Selectica. It is strong across the board, with leading scores for contract creation; existing and third-party contract support; contract negotiation; contract types supported; contract approval; and contract optimization, globalization, and technology platform. Upside Software also has attractive hosting options for either single-instance hosted or shared-instance application service provider (ASP)-type hosted and received top scores in its strategic position thanks to good product strategies, good corporate strategies, and good financial resources. All these factors have contributed to a large and growing client base.
- **SAP enters the CLM market with a winning product.** Two years ago, SAP was not a factor in the CLM market. Now it has moved into a Leader position, thanks to the basic capabilities of a CLM product that it acquired from Frictionless Commerce and additional development work that has leveraged SAP’s partnership with Microsoft on the Duet platform. The SAP Contract Lifecycle Management product is in a leading position in terms of Current Offering, where it is only slightly behind the products from Emptoris and Upside Software. It is strong in most categories, with leading scores in contract repository, hosted options, and globalization support. The product’s integration with other SAP products is excellent, but only average with non-SAP products. SAP offers attractive hosting options for either single-instance hosted or

shared-instance ASP-type hosted. SAP received a top score in its strategic position due to a good product strategy (but by what we consider to be a weaker, opaque pricing model), good corporate strategies, and very good financial resources. For these reasons, SAP has seen very strong growth in its CLM client base and revenues, primarily in its installed base, but also outside it.

- **Selectica moves into the top tier of CLM vendors.** Selectica has made dramatic strides in its CLM product offering since the 2006 Forrester Wave evaluation, when it scored in the bottom half of the products evaluated.⁵ Selectica's position as a Leader is largely due to investments made in improving the product's features and functions. This time, Selectica's Contract Performance Management product has top scores in existing and third-party contract support and contract fulfillment tracking. It had very good scores in all other features with the exception of contract process management, where it had a good score. Its score for functions like integration capabilities, hosting options, globalization, and technology are a bit weaker. Strategically, it has good product and corporate strategies but weak financial resource scores due to difficulties in growing revenues and profits in recent years. Its balance sheet remains healthy, though, and there are signs that its revenues and profits are starting to improve.
- **Ariba remains a leading vendor in CLM.** Historically, Ariba offered contract management, contract compliance, and contract creation tools as part of its enterprise spend management suite with a focus for buy-side contracts. Over the past three years, Ariba has positioned its contract tools for other contracts as well, following the lead of clients who were using the product that way. In the prior Forrester Wave evaluation of CLM, Ariba was among the top four vendors. In this evaluation, Ariba is among the top five vendors in our assessment.⁶ Its CLM product is generally very good, with very good scores in contract negotiation and contract optimization and good scores in other functional areas. In terms of features, it had good scores for hosted options, integration, and globalization. Its product strategy is very competitive, and it has competitive corporate strategy and good financial resources to pursue its strategy.

Strong Performers Cover The Standard Functions Of CLM With Some Advanced Ones

- **Nextance makes a comeback after its acquisition by Versata.** Nextance was one of the early pioneers in the CLM market, but it ran into some financial challenges in 2006 and 2007, which led to its acquisition by Versata. While that deal addressed some of the financial concerns, the transition and earlier financial struggles did take a toll on its product innovation, causing its Current Offering score to slip below some new players like SAP and Selectica. Still, Nextance has been creative in building a proposal management offering that helps create sales proposals that flow into later contracts. It also has strong contract negotiation, contract creation, contract approval, contract fulfillment tracking, and contract optimization capabilities. It has a good product strategy, but its corporate commitment to the CLM market seems weak. Even with the backing of Versata, there are still financial questions confronting Nextance. For example,

Versata's acquisition of Nextance is part of a pattern of multiple acquisitions by Versata, raising the possibility that Versata, like other companies with a portfolio of acquired companies, might decide to divest one or more in the future. However, the pooling of development staff from Nextance with other Versata-owned companies indicates a Versata commitment to keep Nextance in its portfolio for at least the next two to three years.

- **Oracle E-Business Suite edges closer to the leader category.** Oracle E-Business Suite (EBS) has had a Service Contract product for more than a decade and added Sales Contract and Procurement Contract products in 2004. While these three products have a common architecture and can use the same repository, the continued existence of three separate products looks ill-advised at a time when more and more companies are opting for a single enterprisewide CLM product. Our evaluation of all three Oracle EBS contract products scored them seventh in terms of strength of Current Offering, a notch below Nextance and Ariba. Functional strengths included support for services contracts and other sell-side contracts (like project contracts, sales agreements), contract optimization, contract repository, and contract process management. Existing Oracle customers would find its CLM products to be capable ones that work well with other modules in the suite. Oracle Service Contracts is a top choice for companies needing renewal-based services contracts to be managed. Globalization features were strong and integration with other Oracle products was top notch, but integration with non-Oracle products was weak, hosted offerings options limited to single-instance hosted, and technology features mostly standard. Strategically, it is very well positioned, with a competitive but not outstanding product strategy (note the multiple product offerings discussed earlier and a fairly rigid pricing model), a good corporate strategy, and excellent financial resources to support its strategy.
- **CMA Contiki makes an effective entry as a low-cost, good function product.** CMA Contiki is a Norwegian vendor that started with clients in the North Sea oil and gas industry, but it has since expanded to other parts of Europe and the US. Its Contiki ECM product has some surprising strengths for a vendor of its size and tenure in contract repository (a top score, tied with SAP), contract negotiation, contract optimization, and contract process management. In other areas, it has a mix of advanced, standard, and subpar functions. Its competitive position is hampered by its small size and limited financial resources, but, within these constraints, it is doing quite well. We expect it to become a more significant player in the future.
- **Symfact leverages a low price, high adaptability, and a strong strategy to gain share in Europe.** Symfact is a Swiss vendor, founded in 2003, that has had success in selling its Symfact contractX product in Switzerland and the UK, as well as to financial services firms. Its CLM product is part of a suite of products for contracting and compliance management, all based on a single XML. Its CLM product has some advanced functions in areas like existing and third-party contract support, contract fulfillment tracking, and contract optimization. Otherwise, it has mostly standard functions and limited features for integration, hosted options, and

technology options. Its strategic position is quite strong, thanks to a very competitive pricing strategy, an XML-based product road map, and a focus on compliance management that makes its product very attractive in verticals like financial services, pharmaceuticals, and government, where it has won some marquee clients. As with CMA Contiki, we think Symfact has the potential to be successful not only in Europe but also in North America.

- **Open Text becomes the only ECM vendor in the CLM market.** Open Text acquired Hummingbird in 2006, shortly after Hummingbird had become the first enterprise content management (ECM) vendor to enter the CLM market. Open Text used the Hummingbird CLM product as a model for building its own CLM product on its Livelink ECM platform, with a long-term strategy of converting existing Hummingbird CLM clients to this product as well as selling it into the Livelink client base. While Open Text still supports the Hummingbird product, it is the Livelink product that we evaluated here. Overall, it scored in the middle of the pack, with some advanced functions among many standard ones. It has solid contract creation capabilities, good support for existing and third-party contract support, good contract fulfillment, and good contract optimization. Integration and globalization features were good, but Open Text only offers a single-instance hosted option. Its product strategy is a bit weak due to its price model and planned enhancements, but it does have a solid corporate strategy for the market and very good financial resources. It will be a good choice for companies that already use the Livelink ECM product.
- **I-many is still a factor in CLM, even as it refocuses on the life science market.** I-many was one of the pioneers in the CLM market, and, by 2003, it had built a client base of more than 200 pharmaceutical and life science companies that used its product for tracking and managing compliance with sell-side contracts. Between 2004 and 2007, it shifted its focus to buy-side and enterprisewide contracts. However, since early 2007, it has gone back to its pharmaceutical roots and added analytical and revenue optimization modules to help pharma companies. It continues to sell its I-many Contract Management product for general contract life-cycle management, but that product has not kept pace with the innovations in the market since 2006. As a result, the I-many product has slipped from the Leader category into the Strong Performer category. Its strengths are in contract approval, contract optimization, and support for sell-side contracts and contract fulfillment tracking. Integration, hosted options, globalization, and technology features were good, but not outstanding. Strategically, it has good product and corporate strategies, but it is hampered by a shaky financial position.
- **Oracle PeopleSoft Enterprise SCMT starts to mature.** As part of Oracle's Applications Unlimited strategy, Oracle continues to invest in the Oracle PeopleSoft Enterprise Supplier Contract Management (SCMT) product. The product is newer than the Oracle EBS product, and as a result, scored slightly lower. Notwithstanding its name, the product supports sell-side contracts as well as buy-side contracts, although with more limited functions and fewer clients. It has solid contract creation, contract approval, and contract fulfillment tracking capabilities,

with a few advanced functions mixed among mostly standard ones. Its weak integration and hosted options scores may not matter because the product will be used by Oracle PeopleSoft clients in behind-the-firewall deployments. Globalization support is decent (although not as strong as Oracle EBS[®]), but the technology options are basic. Its product strategy is hurt by what we consider to be a too simple pricing model and relatively modest planned enhancements, but it does have very good financial resources. Companies that are using other Oracle PeopleSoft products should certainly put the Oracle PeopleSoft product on the short list.

Contenders Have The Basics With Low Prices

- **Omniware offers a bare-bones, low-cost solution.** Omniware is another Norwegian vendor that has developed a CLM product. Like CMA Contiki, Omniware has had success in the oil and gas industry, but it has also moved into the government sector, both in Europe and with state governments in the US. Omniware's Omnicom Contract Management product is a more basic product than the others evaluated here, and it lacks the advanced functions of the Leaders' products and even some of the standard functions of the strong contenders. Its functions for contract process optimization, contract repository, and contract process management were relatively good, but its contract approval and contract fulfillment tracking functions were missing or limited. Its pricing model, while not very flexible, still results in low cost of ownership, but other product and corporate strategy factors leave it vulnerable.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 3 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- **Product demos.** We asked vendors to conduct demonstrations of their product's functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with two to three of each vendor's current customers.

Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we narrow our final list to those presented here. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in this document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and readers are encouraged to adapt the weighting to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

- ¹ The next generation of technology will have its primary business value in enabling companies to optimize business results in core problem areas concentrated in the balance sheet, as well as in off-balance-sheet assets and liabilities like customer relationships, brands, and intellectual property. Forrester has identified a few small vendors that are already starting to create software products to achieve this goal, which inevitably means a very high vertical industry focus. For more perspective on this trend and advice on how vendors should play this opportunity, see the March 12, 2008, "[Small App Vendors: Optimize Business Results](#)" report.
- ² Our first Forrester Wave evaluation on contract life-cycle management was published in Q1 2006 and covered 10 vendors: Ariba, diCarta (since acquired by Emptoris), Hummingbird (since acquired by Open Text), I-many, Nextance, Oracle, Procuri (since acquired by Ariba), Selectica, and Upside Software. See the March 10, 2006, "[The Forrester Wave™: Contract Life-Cycle Management, Q1 2006](#)" report.
- ³ Still lurking on the fringes are most enterprise content management vendors like EMC Documentum, Hyland Software, IBM FileNet, Interwoven, Microsoft, and Vignette. These ECM vendors sometimes crop up in request for proposals (RFPs) but still lack the ability of a true CLM product to assemble draft contracts from discrete terms and conditions and to disassemble final contracts back to the constituent parts for integration into relevant transaction systems.
- ⁴ diCarta received top scores in our 2006 Forrester Wave evaluation. The Emptoris product that we evaluated at that time was much less capable and was replaced by the diCarta product after the acquisition. For the rating of the diCarta and Emptoris products, see the March 10, 2006, "[The Forrester Wave™: Contract Life-Cycle Management, Q1 2006](#)" report.

- ⁵ The Selectica CLM product received a relatively low score in the 2006 Forrester Wave evaluation in part because the Selectica product marketing team that participated in the evaluation did not fully understand or appreciate the capabilities of that product, which they had recently acquired from Determine Software, a failed CLM vendor. As a result, the product probably got a lower rating than it deserved. For the rating of the Selectica product, see the March 10, 2006, "[The Forrester Wave™: Contract Life-Cycle Management, Q1 2006](#)" report.
- ⁶ While Ariba came in at fifth place in this Forrester Wave evaluation, it is not a sign of deterioration in the company's product offerings; on the contrary, the current Ariba product is an improvement in several areas over the version that we evaluated before. Still, SAP and Selectica have made substantial improvements in their CLM products, which have moved these vendors on par with or slightly ahead of Ariba in terms of product offering.

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Making Leaders Successful Every Day

Headquarters

Forrester Research, Inc.
400 Technology Square
Cambridge, MA 02139 USA
Tel: +1 617.613.6000
Fax: +1 617.613.5000
Email: forrester@forrester.com
Nasdaq symbol: FORR
www.forrester.com

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