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Investing in Enterprise Applications in Tough Times: Web Content Management

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Question

What is the value of investing in enterprise applications for WCM?

Answer

Web content management (WCM) has become a standard business tool. **Microsoft** eliminated any doubt about the importance of WCM when it purchased NCompass Resolution in 2001. Despite across-the-board agreement that Internet Web sites are essential, IT custom-developed and supported systems still represent more than half of the WCM implementations. This is true even though the return on investment (ROI) is multiples of the investment in most cases due to:

- The increasing complexity of Web sites
- The number of content contributors
- The risk of out-of-date information to the business
- The need for constantly fresh content to keep customers and employees coming back

In these tough economic times it is reasonable to ask if the purchase of a vendor-supplied WCM product is an essential investment. Asking if IT needs to be involved frequently in the support of normal updates to the intranet or Internet site is a key metric to use.

An effective measure of whether an off-the-shelf WCM product is needed is to calculate the cost of rebranding or changing the look of an entire Web site. This will most likely touch every Web page and potentially require a new site map and navigation scheme. Most WCM tools will pay their way simply in calculating the business cost of this type of Web site update. This is not an infrequent occurrence given the number of mergers and acquisitions and the need to remain in sync with current marketing campaigns.

For international companies that support several local markets and require multiple language support, a WCM system can easily be justified through the reduction in the IT support required and the ability to enforce changes across several localized sites (see Planning Assumption, [Managing Web Content for Global and Local Markets Requires a Distributed Approach](#), Kathleen Hall and Connie Moore). Rebuilding an international corporate intranet from a custom system can provide hard savings by consolidating of the number of servers and reduction of the IT support required. Take an example of an international company that reduced more than 150 global intranets to a single consolidated site accessible by tens of thousands of users. The cost savings included:

- Reducing the number of developers from more than 30 to less than 10
- Reducing the number of intranet sites from more than 150 sites in more than 20 locations to one centralized site
- Reducing the number of servers from more than 20 servers to four

Conversely, an argument is being made against replacing a custom system because the business has taken the Webmaster out of the publishing process to let authors publish directly to the Web. Many companies still believe this problem is the main reason WCM systems are needed, and in some cases it is true. Other companies are looking at whether there is sufficient IT bandwidth to replace the existing system — the system works, and IT is needed for other more visible projects. These are legitimate reasons for pushing off the implementation of a WCM system if the decision is based on a thorough analysis of business needs and recoverable cost savings.

Recommendations

In general, Giga recommends against custom (in-house) WCM systems. For new projects requiring WCM features and functions, there are very few scenarios that would justify custom development. The most persuasive argument for leaving custom systems in place is that IT bandwidth is not available or, in a small number of cases, that it helps maintain competitive advantage.

The following are high-level justifications for WCM:

- The ROI of WCM systems against custom systems is guaranteed for all but the smallest of businesses and/or Web sites.
- WCM is a base-level tool for competitive advantage.
- The Web is a critical communication and business medium for the vast majority of businesses.
- Managing international Web sites without a vendor-supplied WCM system is increasingly difficult.

The WCM industry has matured significantly and this has removed the argument in most cases that vendor viability is questionable. New features available in WCM systems provide business agility, and support of advanced technologies such as Web Services are available through upgrades, and that does not require additional custom development. In general, this makes good economic sense from an ROI point of view because these features can be used for integration with other applications and are increasingly needed for portal integration. WCM is being viewed more frequently as an infrastructure necessity much like relational databases and application servers. Businesses don't build relational database systems in-house, and the same holds true for WCM systems.