

TECHNOLOGY AUDIT

Communique (CQ) 5









Day Software



BUTLER GROUP VIEW

ABSTRACT

Day Software's Communique (CQ) 5 is a modular content management portfolio of products that incorporates Web Content Management (WCM), Digital Asset Management (DAM), Social Collaboration, Workflow, and Portal Management. For many organisations the Web site now acts as the shop front, and this requires the rapid creation and publication of dynamic, timely, and personalised content, which needs to be created by business users rather than IT. By separating the presentation layer from the content, business users are able to create their own content using templates that have already been created, typically by developers. Day Software is not as widely known as some of the other WCM vendors, and therefore needs to raise its profile if it is to substantially increase its market share. DAY CQ5 is an enterprise-class horizontal WCM platform that is appropriate for all market sectors. In Butler Group's opinion, CQ5 is a product that comprises an extensive degree of functionality that allows organisations to manage all aspects of their Web sites.

KEY FINDINGS

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|  Extensive product portfolio that includes WCM, DAM, and Social Collaboration. |  Ease-of-use allows business users to create and publish Web content. |
|  Architecture based on industry standards. |  Multiple languages supported. |
|  Supports global brand management through multiple site management. |  Uses a virtual repository with integration provided to other repositories. |
|  All Web content is versioned so Web pages can be recreated. |  Day Software's market profile is not as high as that of some of its competitors. |

Key:  Product Strength  Product Weakness  Point of Information

LOOK AHEAD

Day Software will continue to develop and enhance Communique.

FUNCTIONALITY

Long gone are the days when organisations could create Web sites that were static and provided information that often remained on the site long past its usefulness. Now, for many people, the Web site is the first and sometimes the only point of contact with an organisation. The old style of creating Web content, that involved a long drawn out process of submitting the content to the Webmaster to be converted to HTML and published on the Web site, is no longer acceptable, as organisations must be able to publish dynamic, highly personalised content that is targeted at individuals or segmented groups of users.

The major advantage of the Web over bricks-and-mortar shops is that an organisation is able to target a global market without needing a physical presence in every country that it targets. Research has shown that customers prefer to view Web content in their native language, and any company that can provide this capability is immediately at a competitive advantage. However, global branding must be consistent throughout every language in which that content is provided. This requires the ability to manage all Web sites from a central point, pushing out global content, whilst allowing localised content to be created and published at the regional level. Web Content Management (WCM) systems enable the publication of dynamic Web content that can be created and published by business users, and centrally managed and pushed out to multiple sites, whilst also allowing content to be published locally.

Increasingly, WCM vendors are targeting Chief Marketing Officers as it is the marketing department that needs to be able to analyse Web activity in order to personalise the Web experience and exploit cross-sell and up-sell opportunities. Day Software is a specialist WCM vendor with an extensive product portfolio called Communique (CQ).

Product Analysis

Day Software's CQ5 is a modular content management product that includes WCM, Digital Asset Management (DAM), Social Collaboration, Workflow, and Portal Management. Although it predominantly provides WCM, its portfolio is more extensive than many WCM offerings, and Day Software is justifiably proud of the fact that all of its functionality has been developed organically rather than having been acquired. The advantage of this approach is that there is no integration or rewriting work required, as there often is when organisations acquire other vendors, to enhance or extend the functionality of their solutions. This has allowed Day Software to remain focused on product development, and Butler Group regards this to be an advantage of the product.

The company has focused on the fact that software should be fun to use, and has made the product easy to use, supporting the need of business users to create Web content. This is an important factor, as systems that are difficult to use and require extensive training are less likely to be adopted by business users that have no or little technical expertise, and this has to be regarded as a strength in any product.

In an increasingly global world, a requirement of a WCM system is the ability to target global markets. This requires brand management and protection to ensure that the same messages are being communicated in each geography. Day CQ5 provides global brand management and protection, allowing organisations to tailor content to local markets whilst at the same time retaining brand consistency. The product supports multiple languages, enabling users to work with the product in the language of their choice. Organisations can also manage multiple sites from a central location, allowing global content to be pushed out to each site at the same time as supporting the creation of localised content.

With many transactions now carried out over the Web, organisations need to be able to access content and data from multiple sources. This can range from product information and prices that need to be collated into a catalogue along with newly created content, to transactional details such as customer records that come from a back-end database. Day CQ5 allows content to remain in its original location by using a virtual repository. Integration is provided to multiple sources in any location, language, format, or platform. This allows organisations that have Enterprise Content Management (ECM) platforms to bolt on Day CQ5 to provide more specialised WCM functionality. There are Java Content Repository (JCR) connectors to legacy repositories such as EMC Documentum, IBM FileNet P8, IBM Lotus Notes, Interwoven TeamSite, Microsoft SharePoint, Open Text Livelink, and Vignette.

A differentiator for Day CQ5 is that everything in the system is treated as content and every component is given a version number. This may seem insignificant, but it means that the content of Web pages can be versioned so that a Web page that was viewed by a particular user on a certain date can be recreated, which aids compliancy, as an organisation can prove what was displayed on the Web site on a particular date. We regard this to be a real strength in the product.

The growth of Web 2.0 has provided organisations with new opportunities to collaborate using social tools such as wikis, blogs, and calendaring, and Day CQ5 supports all of these. Of course wikis and blogs can also be employed on Web sites as a way of facilitating feedback from customers and all WCM products need to support these tools.

Product Operation

Day CQ5's architecture is centred on industry standards. It is a 100% pure Java and Java 2, Enterprise Edition (J2EE) solution, and all of Day's products are Java Specification Request 170/283 (JSR 170/283)-compliant content applications, running on top of Day's own ContentBus architecture. CQ5 uses an AJAX-based user interface, drag-and-drop capabilities between all modules, and a script interpreter, as well as Web 2.0-based application modules. The J2EE architecture provides the ability to scale upwards by adding extra production CPUs.

Day Software is a big supporter of open source and provides check-in rights to Apache Jackrabbit. Apache Jackrabbit is a fully conforming implementation of the Content Repository for Java Technology API. Day Software claims to be the initiator of the underlying industry standard JSR 170 and leads an industry expert group of vendors that support the standard. Apache Jackrabbit provides a solution for organisations that do not wish to deploy an expensive, proprietary legacy repository, but are looking for a standards-based alternative.

System performance is optimised through the implementation of an eight-layer caching system as well as by load balancing. Both of these features are transactional and personalised. High availability is achieved by adding, and/or restoring, cluster nodes at runtime for all content. Day CQ5 can be backed-up at any time including at runtime.

Content is managed from its source location without the need to create complex architectures or undertake expensive systems integration, and depending on access rights and permissions, it provides universal access to systems, data, and content. Day Software has provided the necessary features to support globalisation, which it terms business unification, including support for foreign character sets, multiple languages, the easy integration of translation support, and multilingual customer support. In addition, features such as search, navigation, subscription management, downloading, indexing, printing, and referencing work are available in all supported languages and character sets.

CQ5 can handle internal workflows, global commerce applications, customer profile information, forums, and newsletters, for a global clientele. Central control can be maintained over the design of Web sites in order to ensure global brand consistency whilst localised content is published to sites located around the world. Templates can be provided to authors to create local content without them having to worry about the design as this is automatically enforced by the templates.

The workflow has been designed to be simple to use with drag-and-drop capabilities being deployed to create new workflows. The workflow handles simple linear create, review, and publish processes, as well as complex claims management type processes that require conditional, multi-branch, and multi-step tasks. Keyboard shortcuts have been introduced to optimise efficiency, and the workflow capability is useful for casual users. Global workflow is integrated into the solution to support the automation of many region-specific tasks that take place outside of the organisation's firewall, and across locations and time zones. Full version control is maintained.

Many user-friendly features have been incorporated into CQ5 including the ability to create vanity URLs, which allow a user who is creating a Web page to give the page a meaningful name that is easy to remember and which can be used in searches. Publication and retirement dates can also be set, which means that content can be created in advance and can live on the Web site for a specific period, which is useful for marketing campaigns. When content is removed from the Web site all links to that page are also removed.

Support for Lightweight Directory Access Protocol (LDAP) simplifies administration as CQ5 automatically configures new users and assigns access rights and permissions, based on roles and groups assigned in the LDAP directory.

In addition to WCM, CQ5 also includes DAM, which incorporates a full audit trail of all actions, tagging of assets, corporate classification, access rights, versioning, a check-out and check-in capability, notifications, and multilingual support.

Product Emphasis

One of the biggest frustrations for marketers in particular, is not having the ability to publish marketing material for campaigns in a timely fashion. The Web has provided organisations with new marketing channels and also opportunities to provide customers with a much more personalised experience. However, if all Web content has to be routed via the IT department or the Webmaster, there are going to be inevitable delays in getting Web content published, and in some cases it may be out of date by the time it appears on the Web site.

The deployment of a WCM system such as Day CQ5 allows marketers to create and publish their own Web content allowing it to be published in a much more timely fashion. It also means that the lifecycle of an item of content can be extremely short. Day CQ5 is an extensive WCM solution that has been designed for business users to easily create and publish content. Its social collaboration features enable organisations to embrace Web 2.0 features such as wikis and blogs to extend the attraction of their Web sites. Butler Group regards Day CQ5 to be a more extensive WCM platform than many of its competitors, which makes it an attractive proposition to organisations.

DEPLOYMENT

Being a 100% pure Java and J2EE product, CQ can run on virtually any platform. It runs as a servlet in any J2EE application server environment. It supports Microsoft .NET infrastructures based on a .NET assembly that integrates with Active Server Page (ASP) code. The user interface for CQ is 100% browser-based.

Day Software generally acts as a subject matter expert on implementations, providing project scoping and planning on projects. The company typically works with Systems Integrators, providing advice and coordinating efforts with partners and client personnel, as well as with consultants who provide the general implementation resources and project management. The average time for implementation is dependent on the complexity of the deployment, but most initial deployments are completed within 30 to 90 days, according to Day Software. All of the products have been designed to run together or as stand-alone products and can be implemented in a modular and/or best-of-breed approach. Although Day Software has a full professional services group, which provides project scoping and implementation planning in addition to support services, it prefers to work with partners on implementations in order to build out and expand a community of expertise and value add market, for its partners around CQ.

Day Software has a dedicated training department and offers a wide variety of courses for both technical and non-technical users. The company recommends that customers conduct the classes on-site at their office location. Alternatively they can be run at one of Day's training centres. The focus of the courses is on a variety of job responsibilities. All courses include hands-on exercises that reinforce the training experience, and students are given Exercise Guides that can be used as reminders of the subjects covered during the course attended. Day also provides a Train the Trainer programme for CQ Author Training, and it works with trainers in the development of CQ Author Training materials, tailored for a specific organisation.

Technical support is provided by Day Software's support group, which is a global organisation with representation throughout Europe, Asia, and North America. Follow-the-sun support is provided and customers are able to access Day support representatives directly and via on-line help sites and a global on-line ticketing tool. Customers typically receive a single point-of-contact account manager as well as a customer support manager. Additional application support contracts are available to support custom applications developed by customers that sit on top of CQ.

Day Software has built JCR/JSR 170/283-based connectors for Microsoft SharePoint, Open Text Livelink, Vignette, Interwoven, EMC Documentum, SAP, IBM FileNet, Lotus Notes, Lotus Domino, and IBM WWC. It also has experience of building custom connectors designed to support the JSR 170 API. Full support for JSR 168 is also provided and a Portal manager is available with the product. This allows CQ to manage and publish any content component as a JSR 168 portlet, and it also enables users of JSR 168 portal systems, such as WebLogic and WebSphere portal to access the entire CQ content management functionality via a JSR 168 portlet. Connectors are also provided to portal systems, such as SharePoint and SAP NetWeaver that integrate at the API level.

One of the reasons for implementing WCM is to improve the way in which Web content is created and published. CQ5 allows business users to become empowered to share information quickly and efficiently, in a managed and controlled way through the use of workflow process support and access controls. No specialised IT knowledge is required to publish content, which means that IT resources can focus on more strategic tasks, such as managing the IT infrastructure and other systems.

It is the opinion of Butler Group that the biggest risk that may cause the project to fail is the failure of end users to adopt a new system. This is normally caused by end users not buying into a new system: a problem which can be solved by ensuring that users are involved in the design stage of the implementation, by being consulted on their current processes and how the new system can improve these.

PRODUCT STRATEGY

DAY CQ5 is an enterprise-class horizontal WCM platform that is appropriate for all market sectors, although Day Software does have clusters of customers across certain vertical segments including automotive, media and entertainment, financial services, and hospitality. In terms of company size, the company primarily targets global enterprises with multi-language and multi-regional requirements, which are typically Global 1000 companies.

It is not easy to calculate Return On Investment (ROI) for a WCM system. Day Software identifies some of the soft factors that contribute to ROI to be the fun-of-use and ease-of-use of the product, which is aided by the intuitive User Interface. These enable information workers to better share content with partners and co-workers, as well as reusing and repurposing content. The separation of the presentation layer from the content allows business users to create content within templates that have been designed to maintain the brand. In addition, only the original version of an image needs to be managed because the graphics engine uses a caching system to provide renditions on the fly. Multi-site management provides another benefit through support for automatic, semi-automatic, and optional relationships that provide control and flexibility in the way in which multiple Web sites are managed.

Although Day Software primarily targets global organisations, it has also experienced increasing success with Small to Medium-sized Enterprises (SME) customers, and it has several clients in the mid-size enterprise market. Day Software has also seen a growing number of customers in Higher Education. In addition, there is a hosted version of CQ for SME customers, which is offered via a partner.

The majority of revenues are generated via direct sales, although there is also an indirect channel that has produced OEM relationships with large technology companies, including Oracle, IBM FileNet, Microsoft and FAST, and HP through Exstream.

Key business partnerships exist with Professional Partners, which comprise strategy consultants, e-business and on-line marketing consultants, system integrators, and solution providers, who build vertically- and functionally-targeted applications for the CQ platform. Integrators provide specialised support and have experience in developing and deploying personalised e-business solutions using Day technology.

Technology partners integrate Day's technology into their own products to provide added value to their customers. These are best-of-breed software, hardware, and service vendors who work closely with Day to optimise product integration, and also to develop and implement joint marketing strategies and sales tools. Key partners include Oracle, IBM, Microsoft, HP, Sun, and SAP.

In global markets Day Software tends to compete against Vignette, Interwoven, FatWire, and Alfresco. In Germany and Switzerland competitors tend to be more regionally focused such as Coremedia, RedDot, and ESpirit. In the UK Coremedia and Tridion are more prevalent.

The pricing model is based on product licence fees and scales upwards on a per-named-user and per-production CPU basis. It is only content authors that are required to be named users, as content viewers do not require licences. The average selling price of a Day CQ implementation is approximately US\$200,000, whilst maintenance averages 18% of the licence fee depending on the option selected.

The release strategy for Day Software is a combination of Day CTO David Nüscheler's vision for products, Day Chief Scientist Dr Roy Fielding's view on the future, and feedback from customers and partners. Longer-term roadmaps are managed through participation and leadership in standards bodies such as JSR 283 and the next specification of HTTP. Mid-term planning, which Day Software regards to be in the three to five year timeframe is delivered through major product releases.

Potential threats to Day Software's market share could come from commoditisation and price pressure from factors such as open source. However, Day Software has increased its market share quarter on quarter for the past few years.

COMPANY PROFILE

Day Software has dual headquarters in Newport Beach, California, US and Basel, Switzerland. It has offices in New York, Chicago, Dallas, and San Francisco in the US; Toronto in Canada; London in the UK; Munich in Germany; and Singapore. Day Software, which was founded in 1993, is a provider of integrated content management, digital asset management, and social collaboration software. Its technology Communique provides a comprehensive framework that can be rapidly deployed to manage all digital business data, systems, applications, and processes through the Web. Day has been active in driving a standard content API in JCR as it recognises that it is only through standardisation protocols and APIs that enterprises can significantly reduce costs and achieve higher benefits from content management, through having the ability to access and use content from multiple sources.

On 31 March 2008, there were 122 employees with the majority located in the US and Switzerland, with a significant number in the UK and Germany. Professional Services accounted for 30% of staff, with 32% in Research and Development, 24% in Sales and Marketing, and 14% in Administration. The company expects to grow its headcount in the next 12 months.

Day Software is publicly traded and has been listed on the Swiss Exchange since April 2000. Its shares are also traded Over The Counter (OTC) in the form of American Depositary Receipts. Its financial results for the past three years are as follows:

Table 1: Financial Details			
Year ending 31 December	2007	2006	2005
Revenue (CHF Million)	26.44	20.61	17.01
Change on Previous Year (%)	28	21	30
Total Net Income/(Loss) (CHF Million)	7	1.9	741
Source: Day Software			DATAMONITOR

SUMMARY

WCM is currently a thriving area of content management, with a high number of vendors playing in this lucrative market. Although there has been some consolidation as larger Enterprise Content Management (ECM) vendors have acquired WCM vendors to strengthen their portfolios, there are still a large number of independent WCM vendors. Day Software has an advantage over some of its competitors as it offers a more extensive portfolio than just WCM – with DAM, Social Collaboration, Portal Management, and Workflow capabilities that allow organisations to create complex workflows. This additional functionality makes CQ5 an attractive proposition for organisations that require more than just basic WCM capabilities. The DAM feature will benefit any organisation that has assets to manage, and it has been designed to allow business users to select and incorporate assets within their Web content. The social collaboration functions will also suit organisations that collaborate on Web content. This is a product that needs to be examined in closer detail to fully appreciate its capabilities.

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Source: Day Software	DATAMONITOR

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