



# What To Do When Your CMS Vendor is Acquired

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DIGITAL  
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GROUP

# Who we are



Marianne Kay  
Analyst for CMS, WCM, CEM



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VP Client Services

Digital Clarity Group is an analyst and consulting firm that focuses on the content, technologies, practices that companies use to deliver world-class experience to customers, prospects, and employees.

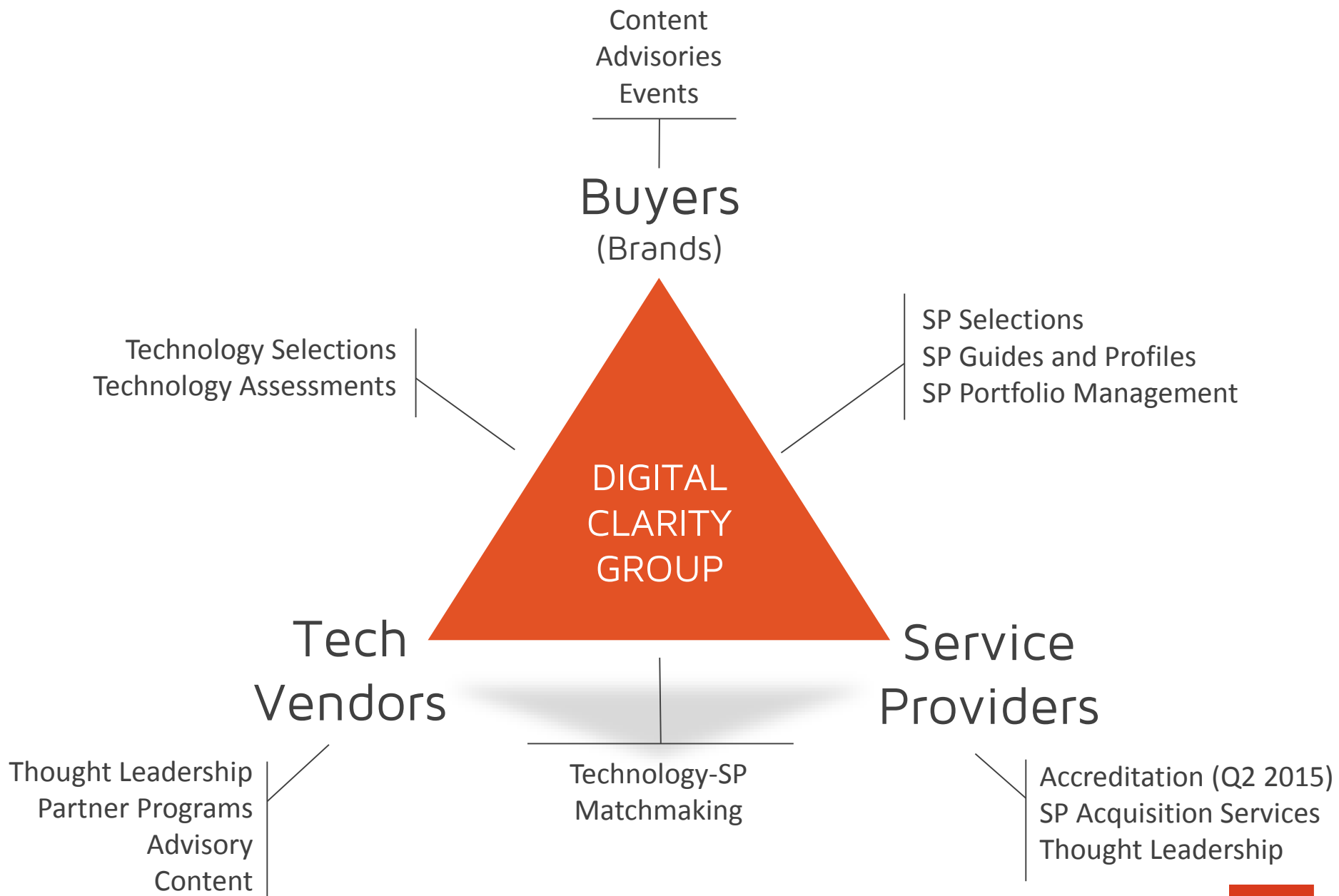
## We work with:

- **Digital leaders**  
(enterprise technology adopters)
- **Technology vendors**  
(software companies)
- **Service providers**  
(digital agencies and system integrators)


## We offer:

- **Consultancy**  
(strategic advice, technology & agency selections)
- **Research**  
(interviews, surveys, direct observations)
- **Thought Leadership**  
(industry events, conferences, webinars, workshops)





# A recent example





WEB DESIGNHOSTINGCOMPANYTHOUGHTS

## What Does a Possible Ektron/EPiServer Merger Mean For You?

PUBLISHED BY CHRIS OSTERHOUT IN NEWS AND EVENTS ON DECEMBER 8, 2014

In the past week, there has been a lot of conversation online stemming from the news about Ektron being purchased by the private equity firm Accel-KKR. In addition, rumors are swirling about the possibility that Accel-KKR will also purchase EPiServer, which is currently owned by a different private equity firm.





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### Not a Rumor: Accel-KKR Invests in EPiServer

By Virginia Backalis | Dec 8, 2014

Say what you will, but sometimes the scuttlebutt that emerges through Twitter (and that we report on) happens to be the truth, or pretty close to it anyways. We can now confirm that Accel-KKR has made a "majority investment" in (and may very well own — read on) EPiServer. This news comes to us direct from EPiServer, which says that it can't provide further comment right now.

Hats-off to Martin Henricson, CEO of EPiServer, for letting his customers, p affected by the news know that there's something significant going on.


Henricson's reasoning for bringing cash to his firm, and specifically from Accel-KKR, an industry expertise, which will help it (EPiServer) with the next phase of its g benefits for its customers."

This "expertise" could very likely be coming from Ektron, which Accel has a 20-plus-year-old Toronto, Ontario, Canada based provider of Digital Asset M portfolio. The company has a legacy of helping companies produce, manage assets.

#### A Slip of the Tongue or Lost in Translation?

According to the release, Accel-KKR sees tremendous potential to help lea experiences through the seamless combination of digital marketing and e-c (from the release) EPiServer states it will scale up its investment in sales an customer service, to solidify its position as the preferred choice for digital le


Interestingly, Accel-KKR doesn't comment in the release at all, which is high time seldom see announcements in which the investor doesn't bother to pro Accel-KKR's style is to simply let their money do the talking, and there's not leaves the world to speculate and could provide a cause for concern.



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### Analysis of the Ektron announcement

by Scott Liewehr | 12/08/2014

It was an exciting weekend for the folks at Ektron, having received a second round of growth equity funding from their primary backer, private equity firm Accel-KKR. Unfortunately, they learned a hard lesson about public relations in the process. While their announcement said they received a "significant" investment, their inspired base of ex-employees illegally leaked documents showing that "significant" actually equals 100%. Unfortunately, this sent the Twitterverse and some TMZ-wannabe industry publications into an uproar, causing many to speculate that Ektron "seems to have come to a stunningly disappointing end."

I hate to disappoint, but why, pray tell, would a financially-savvy investment firm buy a company, only to bring it to an end? While that may make for good headlines, it doesn't make sense in the real world. Here's an explanation for why it may make good sense, and what I believe is in the works, as well as some implications for customers and prospects.

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No-nonsense newsletter for digital leaders:

marianne@mariannek

#### Featured Research

Guide to Service Providers for Web Content and Customer Experience Management

North America, 2014





**ektron  
+  
EPiSERVER**

# Acquisitions in WCM space

1/3 of leading WCM vendors have acquired their content management solutions

- **Adobe** > Day Software (2010)
- **HP** > Autonomy (2011) > Interwoven (2009)
- **Oracle** > Fatwire (2011)  
> Stellent (2006) > Intranet Solutions
- **IBM** > Presence Online (2003)
- **SDL** > Tridion (2007)  
> Alterian (2012) > Mediasurface (2008)
- **OpenText** > Vignette (2009)  
> HummingBird (2006) > RedDot (2005)
- **EMC** > Documentum (2003)
- **Serena Software** > Merant Software (2004)

# Example: Adobe / Day Software



**Adobe**

**Day Software** was acquired by **Adobe** in 2010 for \$240 million.  
Day CQ (2002) > Adobe CQ (2011) > Adobe Experience Manager (2013).



# Example: Serena Collage



**Serena Software** acquires **Merant Collage** for \$380M (2004).  
Serena Collage is discontinued in 2008.

# Serena/Merant acquisition (2003)



## Acquisition Rationale

- Creates the second largest provider of ECM software solutions
- The combination will serve over 15,000 customers, at least 46 of the Fortune 50 and the 10 largest US financial institutions
- Provides SERENA with a very profitable and predictable maintenance revenue stream
- Potential to up sell and cross sell products and services
- Greatly increases SERENA's geographic reach
- Significantly accelerates SERENA's ability to bring SERENA Application Framework for Enterprise, or SAFE, products to market and increases SERENA's competitive differentiation

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<http://www.sec.gov/Archives/edgar/data/881581/000119312504037570/d425.htm>

# Example: Oracle

The Oracle logo, featuring the word "ORACLE" in a bold, red, sans-serif font with a registered trademark symbol (®) at the end.The Stellent logo, featuring the word "STELLEN" in a bold, black, sans-serif font with a trademark symbol (™) at the end, and the tagline "UNIVERSAL CONTENT MANAGEMENT" in a smaller, black, sans-serif font below it.The FatWire logo, featuring the word "FatWire" in a bold, green, sans-serif font with a registered trademark symbol (®) at the end, and the word "SOFTWARE" in a smaller, black, sans-serif font below it.

Oracle acquires Stellent for \$400M (2006).

Oracle acquires FatWire for an undisclosed sum (2011).



Should we start looking for a new solution?



# What to do with a dead horse?

When you discover you're riding a dead horse, the best strategy is to dismount. However in business we often try other strategies with dead horses, including the following:

- Appoint a committee to study the horse.
- Arrange to visit other sites to see how they ride dead horses.
- Ride the dead horse "outside the box".
- Ride the dead horse *smarter* not harder.
- Hire outside contractors to ride the dead horse...

Adapted from: <http://agilemindstorm.com/2011/06/20/dead-horse-and-agile/>



It depends...



# Questions to ask yourself

- When did the last strategic review take place?
- How does the new strategic direction impact requirements for a CMS?
- What are your *focal needs*?
- What is the estimated cost and timeline of migration to a different platform?
- Does your current vendor continue to inspire you and offer you competitive advantage?
- Stay in touch with industry peers from other organizations.

# Questions to ask your vendor

- What are the reasons behind the acquisition?
- What are the expected synergies and projected revenue model?
- What is the roadmap for the product post acquisition?
- What are the future plans for the acquired company's:
  - leadership
  - account management
  - support services
  - partner network
- What customer events are planned in the near future?
- Will the terms of your existing contract be honored?
- What are the *broad* strategic plans of the parent company?  
How does acquired CMS product fit into these?

# Questions to ask: service provider

- What CMS vendors do you partner with and why?
- How does CMS vendor support you in your work?
- Did you receive a formal brief/update on the acquisition from CMS vendor?
- What are your plans with respect to future CMS implementation projects using the acquired product?
- What is your estimate (cost and time) for migrating our website to an alternative platform?

# Guide to Service Providers for WCM and CEM

## Service provider assessment framework

### Assessment considerations

As noted, buyers should determine the mix of skills and experience the service provider by identifying their own needs first. These capabilities comprise the primary portion of the evaluation of the service provider. Additionally, the selection team should be led by the following throughout the assessment process:

- Has this service provider proven its capacity to empathize with the challenges faced by our organization, given its process, cost, and change-control approaches?
- Can it co-pilot the project through the organizational change gain buy-in and meet stakeholder expectations?
- Are we comfortable that the service provider will help us to clear path forward? If we are inclined to stray, will it help to be appropriate?
- Do we feel comfortable that the service provider will work with our project team, valuing our input and keeping us informed?
- Do we have insight on how or whether it will proactively resolve conflicts? Are we satisfied with its past performance?
- Will the service provider foster informed decision making with comprehensible implications in advance and providing an offer of guidance?
- Will it structure the project or program in a way that will benefit and maximize benefits for both parties?
- Can the service provider field a team that will be appropriate and skill level?
- Will any roles on the project be subcontracted? If so, do we understand why? Has the service provider explained how subcontractors will be incorporated into the project team?
- Is it willing to train and educate our team to ensure our ability is sufficient, as appropriate?

Keeping these questions top of mind during the assessment process, and then leveraging them throughout the project, will ensure how well the selected service provider is delivering against objectives and requirements, will help to ensure a successful long-term working relationship.

## VML

### Top 3 Verticals

### Areas of Expertise

E-Commerce	Program Management
Enterprise Search	Quality Assurance
Hosting	Social
Implementation Services	Taxonomy
Information Architecture	User Research
Infrastructure Services	Vendor-Agnostic WCM Consulting
Mobile Strategy	Web Governance
Outsourcing	

### Partnerships

<b>MARKETING AUTOMATION</b> ExactTarget, Eloqua, Marketo, Responsys, Silverpop, Unica	<b>TRANSLATION SERVICES</b> Lionbridge, Translations.com
<b>PERSONALIZATION</b> Adobe Target, Acquia Lift, Demandbase, Ektron Digital, Experience Hub, Sitecore DMS	<b>OTHER</b> Video Platform: Brightcove Content Platform: Bazaarvoice, Percolate Hosting: Amazon Web Services, Level 3, Microsoft Azure, Rackspace, Savvis
<b>SEARCH</b> Apache Solr, Google Enterprise Search, HP IDOL	
<b>SOCIAL</b> Adobe Social, Sprinklr, Cloud, Social Marketing	

perspective on successful techniques. philosophy is not "thing" – it's about id in the most  
relationships with many of the leaders in software, hardware, and other technology providers. Operationally, the company has grown in size but keeps a fairly flat structure by honing internal processes without getting bogged down in them and, most importantly, by hiring entrepreneurial and self-motivated people.

## VML

### A Advertising Agency

### D Digital/Interactive Agency

www.vml.com

<b>Company Status</b> Public	<b>Year Founded</b> 1992	<b>Revenue Range in USD 2013</b> \$200 – \$300 MILLION
<b>Disadvantaged Business Designation</b> No	<b>Full-Time Employees in 2013</b> 1,900	<b>WCM-Related</b> N/A
		
<b>22 locations worldwide</b>		
<b>North American Offices</b> Kansas City, MO Atlanta, GA Boston, MA Chicago, IL Kalamazoo, MI New York, NY Seattle, WA White Salmon, WA		
<b>Coverage Areas</b> North America South America EMEA APAC		
<b>Headquarters</b> 250 Richards Rd., Kansas City, MO 64116 USA 816.283.0700		

<http://www.digitalclaritygroup.com/guide-to-service-providers-north-america/>  
<http://www.digitalclaritygroup.com/guide-to-service-providers-europe/>



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