

# TECH CHOICES



September 14, 2006

## Comercent Leads In B2B Commerce Platforms

The Forrester Wave™ Vendor Summary, Q3 2006

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### EXECUTIVE SUMMARY

Comercent is a small, private independent software vendor (ISV) with 150 customers and a strong growth trajectory. Its best-of-breed B2B commerce platform, combined with its increased B2C focus, earned the company a place in this year's Forrester Wave evaluation of commerce platforms. The company took Forrester's top spot in current offering for B2B sites with a flexible platform that supports sophisticated B2B relationships and complex integrations, making Comercent a good fit for B2B organizations dedicated to growing an online business.

### TARGET AUDIENCE

Channel and product management professional, chief information officer

### COMERCENT IS BEST SUITED FOR COMPLEX B2B SITES

Comercent is a small, private ISV with 150 customers that has experienced strong growth over the past year, launching 50 new customers and growing revenues by 56%. Traditionally offering a B2B solution, Comercent has increased its focus on B2C functionality with customers like NEC, deploying the platform for both B2B and B2C sites. Its aggressive growth, combined with a broader product focus and feature set, earned it a place in this year's Forrester Wave evaluation.

Forrester evaluated Comercent's current offering and strategy for commerce platforms against 175 criteria (see Figure 1). Overall, the product features strong order management and support for complex B2B scenarios but lacks sophisticated personalization and campaign management functionality. This means that the product is an especially good fit for buyers that:

- **Support sophisticated selling processes.** Comercent offers one of the most flexible platforms for supporting multiple selling models in a single infrastructure, making it a good fit for firms that sell to partners, resellers, and distributors. It has a strong product configuration module as well as support for contract management and enforcement to help firms manage B2B relationships. Forrester also gave Comercent top scores in order management for supporting inventory integration for in-store pickup and ATP scenarios, as well as for full returns-processing capabilities.
- **Require integration to complex back-end systems.** Comercent is a sophisticated alternative to the basic commerce platform extensions of many ERP or CRM systems. It is architected to support the more complex integrations that accommodate legacy back-end systems with full support for Web

services and a service-oriented architecture as well as packaged integration to SAP NetWeaver, Oracle Fusion Middleware, webMethods, Vitria, SeeBeyond, and TIBCO. With a sophisticated platform comes a dear price point making the investment more appropriate for firms dedicated to growth through the online channel.

To see how Comergent stacks up against five other competitors, see the Forrester Wave evaluation of the commerce platforms market.<sup>1</sup>

This analysis reflects our assessment Comergent v. 7.01, which includes C3 Commerce Manager, C3 Customer Service, C3 Profile Manager, C3 Product Manager, C3 Parts Modeler, C3 Catalog, C3 Service Contracts, C3 Advanced Product Manager, C3 Campaigns, C3 Promotions, C3 Partner Programs, C3 Advisor, C3 Configurator, C3 Pricing, C3 Proposals, C3 Quotes, C3 Leads, C3 Orders, C3 Invoices, C3 Returns, C3 Contracts, C3 Storefronts, C3 Partner.com, C3 Message Broker, C3 Document Capture, and C3 Analyzer.

**Figure 1** Comergent v. 7.01 Evaluation Overview

## CURRENT OFFERING

Product architecture	The product runs on several different operating systems, application servers, and databases, including open source products. It scales to support enterprise-class commerce sites, including a deployment that supports more than 200,000 transactions per day, relying primarily on the underlying infrastructure for reliability and scalability. The product's flexibility and standards support makes it a good fit for environments requiring complex integration. It offers strong support for Web services integration and publishes an extensive list of commerce-specific Web services. The product's administrative interfaces are offered in English only, but the product supports localized date-time, number formats, and a single catalog with data and currencies for multiple locales. It offers basic multichannel support though a strong browser-based call center interface and a mobile option for the configuration module only.
Administration and management	The product provides one consistent Web-based user interface for online merchants and marketers. It provides a sophisticated order state machine for configuring transaction processes, which is typically used by IT administrators. The product also supports the notion of storefronts that share common business logic and master catalogs, but it can maintain individual skins, custom catalog versions, and unique process flows.
Catalog and content management	The product provides strong catalog creation and management features. The catalog structure is flexible, with support for unlimited attributes, reusable content objects, dynamic hierarchies, and configurable products. The product doesn't provide content-centric workflow capabilities for managing content creation or updates. The Content Management module offers solid content management functionality, including delegated ownership of content, as well as check-in/checkout and version control. The product provides granular control over publishing catalog items to the Web with support for scheduled publishing and expiration dates that can be set down to the SKU level. The product embeds keyword search functionality built on a Lucene open source search engine, which provides guided search and a synonyms table for spelling correction.
Campaigns and marketing	The product offers solid storefront features, including strong shopping cart functionality and support for complex configurable products, but it only offers basic wish list capabilities and doesn't provide gift registry functionality. The product provides basic merchandising and marketing capabilities with strong support for cross-sells and upsells as well as search-based merchandising — but no A/B testing tools or support for loyalty programs. Campaign activities are siloed into creative campaigns, pricing, and email, with no support for the concept of campaigns that include multiple multichannel activities. Sophisticated price list management and discount capabilities are provided through real-time, near-real-time, and scheduled batch integration to external pricing systems. The product provides basic personalization capabilities through targeting catalog views, pricing, promotions, and other content to specific segments. However, it doesn't support segment creation, and it relies on third-party tools to pass prebuilt segments.

Source: Forrester Research, Inc.

**Figure 1** Comergent v. 7.01 Evaluation Overview (Cont.)

CURRENT OFFERING	
Customer management	The product provides solid customer data management capabilities and collects both implicit and explicit data for customer profiles, but defining events to update the profile requires customization. It supports profiles with multiple bill-to and ship-to addresses and stores full account hierarchies with the ability to assign account management. The product offers solid customer self-service capabilities, including password generation and order modification and cancellation. It doesn't provide support for trouble tickets.
Order management	The product provides strong order-processing capabilities and supports real-time availability check to internal systems and partner systems as well as provides staged inventory capabilities for back-order support and ATP scenarios. It offers strong support for returns and exchanges through RMA generation, support for partial returns and exchanges, sample reason codes, and predefined workflows and thresholds. It offers basic support for in-store pickup through setting up store locations as profiles, where orders are then routed to the store dashboard. It provides store locator functionality but relies on third-party tools for geolocator capabilities. The product provides a basic shipping table for shipping cost assessment and can handle rules-based shipping method assignment through contracts and profile settings. It offers tracking numbers through packaged integration to UPS, FedEx, Viking Freight, and Yellow, and it relies on third-party tools for export compliance.
B2B capabilities	The product provides rich B2B features, including support for multiple business models deployed in a single infrastructure. Strong contract management capabilities are core to the platform, and it offers strong channel management capabilities, including opportunity management, referral management, and partner management. The product provides strong B2B order management with support for complex RFQ processes, scheduled orders, punch-out integration to Ariba and Commerce One, invoice presentation, payment tracking, and dispute management. It supports the creation of service requests and provides basic collaboration capabilities through shared carts, but firms looking to support more sophisticated collaboration will need to integrate with third-party tools.
Reporting and analytics	Comergent bundles Actuate's reporting engine into the product, which provides solid reporting capabilities like standard marketing and system reports. However, creating ad hoc reports requires IT administration. Actuate provides several reporting dashboards, including OMS, PRM, and Catalog, but they lack interactive features. Actuate provides basic statistical analysis through graphical reports with drag-and-drop capabilities, which allow business users to choose report parameters. It doesn't provide A/B testing analysis or OLAP tools. It provides Web analytics through a hosted version of Urchin, but firms that require more sophisticated reporting and Web analytics functionality will have to rely on third-party vendors.

Source: Forrester Research, Inc.

**Figure 1** Comergent v. 7.01 Evaluation Overview (Cont.)

STRATEGY

Product strategy	Comergent is dedicated to its commerce platform strategy, focusing on supporting enterprise-level organizations selling complex products online. It will continue its core alignment with B2B market requirements and target industry verticals, including high-tech, industrial manufacturing, retail, hospitality, auto/aerospace, telecommunications, government, and healthcare/biotech/pharma.
Financial resources to support strategy	Comergent is profitable. The vendor is cash-flow-positive but hasn't disclosed its cash flow.
Cost	Comergent offers module-based pricing. The average sales price for the platform is \$500,000, and maintenance costs are typically 18% to 22% of license fees. An enterprise deployment of four CPUs, two developers, an application server, and database costs an average of \$1 million to \$1.5 million.

MARKET PRESENCE

Installed base	Comergent brought on 50 customers over the past year and has a total of 150 customers, 95% of which are on maintenance agreements. Reference customers include Best Buy For Business, Boston Market, Haworth, NEC, Quantum, Restaurant Services Inc. (Burger King), Symbol, Thomson Publishing, and Toro.
Revenue	The vendor hasn't disclosed. Forrester estimates around \$50 million.
Revenue growth	Growth rate over the past four quarters has been 56%.
Employees	Comergent has 130 employees, including 25 sales staff and 40 engineers dedicated to the product.
Partnerships	Comergent has three systems integrators that have completed three or more deployments in the past 18 months.

Source: Forrester Research, Inc.



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Smart data for smart decisions

Go online to download additional in-depth data and scores for this vendor and other vendors included in this Forrester Wave evaluation.



## SUPPLEMENTAL MATERIAL

### Online Resource

The underlying spreadsheet for Figure 1 is available online. The spreadsheet includes more detailed data and scores for this vendor.

This detailed data and scores for this vendor are also available online through an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

### The 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 then narrow our final list. 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 the Forrester Wave 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 weightings 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

- <sup>1</sup> Forrester evaluated leading commerce platform vendors across 175 criteria and found that ATG, Escalate Retail, and IBM offer the most complete and sophisticated solutions for organizations selling directly to consumers. For channel management professionals selling to business customers, Forrester's lab-based evaluation reveals that small pure-play Comergent is joined by IBM in the Leaders category, as both offer the flexibility and focus required by B2B sellers. Microsoft, Oracle, and SAP are Strong Performers in both customer cohorts, all leaning heavily on complementary products to provide complete solutions. See the September 14, 2006, Tech Choices "[The Forrester Wave™: Commerce Platforms, Q3 2006](#)."

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