



IDC MarketScape

IDC MarketScape: Worldwide Business-to-Business Integration Gateway Software 2014 Vendor Assessment

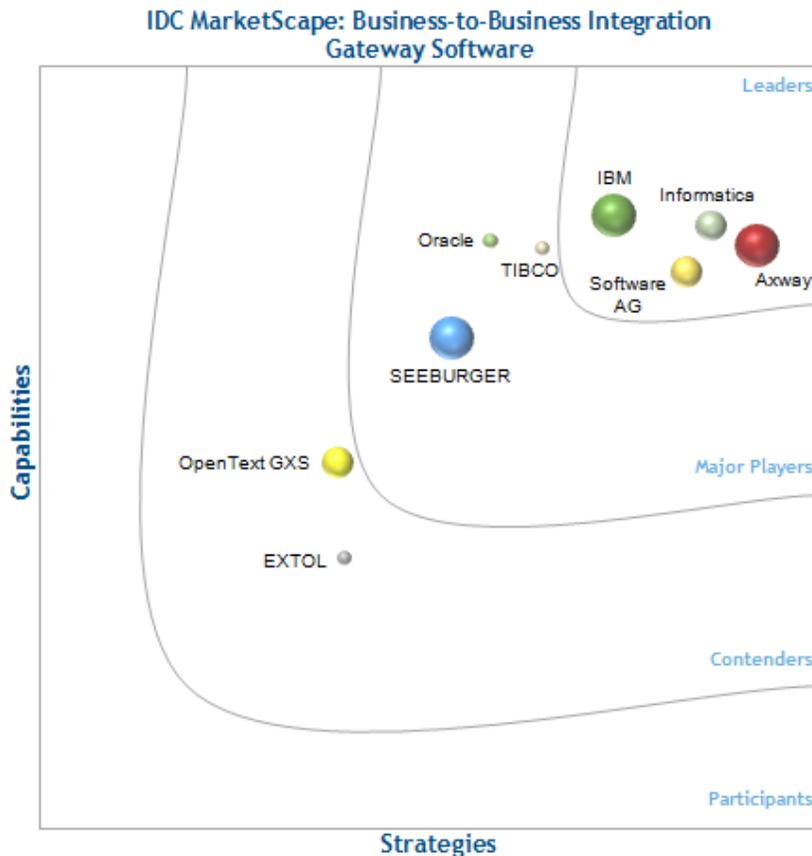
Chandana Gopal

THIS IDC MARKETSCAPE EXCERPT FEATURES: IBM

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Business-to-Business Integration Gateway Software Vendor Assessment



Source: IDC, 2014

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Business-to-Business Integration Gateway Software 2014 Vendor Assessment (Doc #250741). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC MarketScape focuses on nine choices for business-to-business integration (B2Bi) gateway software vendors that have products or suites that support comprehensive trading partner collaboration. B2Bi gateways support sophisticated requirements of enterprises focused on automating the exchange of documents between themselves and their trading partners. Key findings of this study include:

- The nine B2Bi gateway software vendors included in this study are Axway, EXTOL, IBM, Informatica, OpenText GXS, Oracle, SEEBURGER, Software AG, and TIBCO.
- Following extensive briefings, demos that averaged four hours each and discussions with reference customers, four vendors were identified as Leaders in this IDC MarketScape. They were Axway, IBM, Informatica, and Software AG.
- Of the four Leaders, we highlighted two vendors as disruptive innovators as they have products and strategies that demonstrate innovation by showing capabilities or having road maps that include elements of the 3rd Platform (cloud, mobile, social, and big data and analytics) or that otherwise broaden the market for use of B2Bi gateway software. The disruptive innovators, are Axway and Informatica (refer back to Figure 1, where the two companies are identifiable by their right-most position in the figure).
- Vendors in the top half of the Figure 1 are strategic vendors that have other products that are complementary to B2Bi. These vendors tend to offer cost benefits and the advantage of leveraging existing technology investments and skills. IBM, Informatica, TIBCO, Oracle, and Software AG are particularly strong as strategic vendors for different reasons outlined in this document and the individual profiles.
- The Contenders, OpenText GXS and EXTOL, have strong B2Bi capabilities that are best suited for midsize enterprises, business units of large enterprises, niche industries, or the least complex of the adoption patterns outlined in this document. We have included them in this study because there are many use cases where companies need a B2Bi vendor that can support their trading partner integration needs at a lower total cost of ownership (TCO) or for specific purposes. OpenText GXS' product also serves as an on-ramp to the company's Trading Grid managed services business.
- This study serves as a guide for short-listing the selection of B2Bi gateway software used for midlevel to highly sophisticated projects. Participants in this IDC MarketScape consist of familiar strategic vendors, disruptive innovators, and vendors that serve a niche market or have a narrower set of capabilities that align with a specific use case. We recommend that as you go through your decision process, you evaluate vendors that you might have strategic

alliances with along with the disruptive innovators. In-depth profiles published as companions to this study will help you decide on which B2Bi gateway software vendor to invite to compete for your business.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

There are several important elements that qualify B2Bi gateway software offerings for inclusion in this IDC MarketScape, including:

- The products are used in projects rated as highly to moderately sophisticated. This was determined by a scoring model associated with complexity, based on our reference calls with customers.
- The products, whether offered standalone or as a portfolio with supplemental products from the same vendor, must have features in the following areas: onboarding, mapping, transformations, orchestration, troubleshooting, and visibility and reporting. The products must also have the ability to enable the exchange of semistructured documents and support a variety of industry standards and protocols.
- The offerings are architecturally solid, supporting strategic investments that support reusability, scalability, and reliability in enterprise settings.

We invited nine vendors to participate in this evaluation: Axway, EXTOL, IBM, Informatica, OpenText GXS, Oracle, SEEBURGER, Software AG, and TIBCO.

ESSENTIAL BUYER GUIDANCE

Trading partner integration is a critical activity in key business-to-business financial processes, automating the exchange of business transactions involved with ordering, shipping, billing, and paying. Automating this exchange improves the efficiency and responsiveness of an enterprise. In fact, many organizations invest in continuous improvement around the level of business transactions sent and received automatically and are able to associate this directly with profitability.

Trading partner integration is critical and most closely associated with supply chain-intensive industries, including manufacturing, retail, and logistics, but has evolved to encompass a wide range of industries that operate within value chains, which need the efficiency of automated business transaction processing in their financial operations.

We use the term *business transaction* to refer to the digitization of paperwork exchanged between partners to fulfill a financial commitment. This includes the use of EDI-based industry standards, such as X12 or RosettaNet, or semistructured electronic documents that can be mapped and processed without manual steps.

Because trading partner automation is associated with profitability, volumes of data exchanged between trading partners continue to grow through the increase in the number of trading partners able to exchange business transactions and increase in the types of business transactions automated and

the availability of new data streams. For example, a growing trend is the exchange of data between partners to support demand planning.

The march toward perfect efficiency also requires a nonlinear relationship between higher transaction volumes and costs. One large enterprise described an eight-year journey, with transaction volumes growing 20% annually year over year and a declining cost per EDI transaction from \$1.50 per transaction in the first year down to \$0.9 per transaction by the end of the eighth year.

Enterprises have choices about how they handle trading partner integration using commercial off-the-shelf software. They can send and receive business transactions through a B2B cloud network, outsource to a managed service provider, or implement B2Bi gateway software. Many organizations use all three.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges. Individual profiles published with this document provide more detail about each vendor's B2Bi gateway.

IBM

IBM is a Leader in our IDC MarketScape for B2Bi gateway software. IBM offers a comprehensive B2Bi solution called IBM Sterling Integrator as part of Smarter Commerce brand. IBM has mature offerings in on-premises, managed services, and hybrid B2Bi offerings.

IBM scored above average in all capability areas and had high scores in mapping, transformation, and orchestration. References used IBM in highly complex use cases and provided positive feedback about product and customer service. IBM may not have the most glamorous portfolio of products for B2Bi, but we consider Sterling Integrator to be the workhorse of the market.

IBM has invested in consolidating various B2Bi offerings it has under the WebSphere brand and has launched a multi-enterprise relationship management (MRM) offering for community management.

Major industries supported by IBM include automotive, cargo, energy, high-tech, aerospace, finance, insurance, and healthcare.

Strengths

- Browser-based user interface with an easy-to-use navigation pane with drilldown capabilities
- A powerful orchestration engine that allows customers to create complex orchestration patterns that go from the gateway straight through to the target applications
- Reusability across all components

- A B2Bi managed services offering, cloud B2Bi, and gateway, making IBM one of the few vendors able to offer complete hybrid deployments

Challenges

- While IBM Sterling B2B Integrator has rich capabilities, it is a heavy system to administer.
- IBM Sterling has struggled with providing business-level visibility to users.
- IBM Sterling offers a comprehensive B2Bi gateway to its customers but has not been able to leverage other products within the IBM portfolio. Other strategic integration vendors entered B2Bi by extending existing integration offerings. IBM offers a standalone product to customers that are likely to have substantial IBM integration middleware. To date, other than MQ, there is little leverage between related products and IBM Sterling, measured by interoperability across products, cost advantages, and leverage of skills.

Guidance Summary

IBM is a Leader in our IDC MarketScape for B2Bi gateway software. It is a credible option for midlevel to complex projects as outlined previously. It has a strong and comprehensive portfolio of B2Bi software, B2Bi managed services, and B2Bi cloud network offerings as well as MFT capabilities. Overall, we expect IBM B2Bi to be well suited for enterprises that need:

- Scalable and reliable B2Bi gateway that can handle large volumes of transactions
- A global standardizing platform and supporting processes for consistent trading partner integration
- Global professional services support and global industry-standards support
- Strong B2Bi, MFT, and commerce products that are complementary to each other
- To adopt what IDC calls an application-ready gateway, which ensures that invalid data is never passed on to the back-end application (Details of this adoption pattern are outlined in the B2Bi Gateway Software Adoption Patterns section. Also, refer back to Table 2.)
- A stripped down configuration called IBM Sterling Basic Integrator that can be deployed as a content-agnostic gateway (Details of this adoption pattern are outlined in the B2Bi Gateway Software Adoption Patterns section. Also, refer back to Table 2.)

Because of IBM's comprehensive B2Bi gateway software portfolio, professional services capabilities, and support of transport protocols, it should be considered by enterprises as a B2Bi gateway software candidate for midlevel to sophisticated B2Bi integration requirements.

For more detailed information about IBM's B2Bi capabilities, see *IBM Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250744, forthcoming).

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis, or the capabilities axis, reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or the strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

For this IDC MarketScape, vendors that have a strategy of innovation that disrupts the market are found furthest to the right of the x-axis. Innovation includes both the product and the product strategy as well as how the vendor goes to market innovatively to generate demand. How far to the right each one ultimately appears depends on the company's overall strategy.

Large vendors with many customers and a large portfolio tend to have a deeper set of product development concerns associated with integration across a larger product portfolio that is different from pure-play vendors. For enterprises about to embark on B2Bi software selection, this document will help identify the disruptive innovators that can teach the selection team about newer ways to handle aspects of trading partner integration that may be important enough to create room for a new vendor (refer back to Figure 1). Figure 1 also helps identify relative positions of vendors with whom they may already have relationships because they cluster above the midway point of the y-axis. The vendor profiles provide strengths, challenges, and differentiators to assist in identifying vendors you may want to invite in to evaluate.

IDC MarketScape Methodology

A group of vendors were invited to participate in one or more IDC MarketScapes covering business-to-business integration. This evaluation process involved several steps, including the following:

- Business briefings conducted with each vendor to learn about each group's growth, sales, marketing, customer service, and product strategies as well as background information about business performance, offering differentiators, and key market trends. The briefings are initiated with a request to deliver the briefing based on a standard set of questions. Briefings were used to score the strategy sections of the IDC MarketScape.

- Reference interviews with at least two customers from each participating vendor to gauge the customers' experience working with the vendor and the overall complexity of the project. For vendors new to our assessment, we asked for three customer references. Customer reference interviews were built around a standard set of questions. Analysts were trained and encouraged to probe for further details as warranted during the reference interview. Customer reference interviews were used to score different elements of the capabilities section of the IDC MarketScape.
- A demo was presented by each vendor based on a demo outline that was distributed in 3Q13. The purpose of the evaluation was to assess the technical capabilities and differentiating characteristics of each vendor in each of the six capability areas. Roughly 175 features were captured and scored. Each vendor was allowed one follow-up demo to address any gaps that were identified in the first round. The demo was used to score the offering capabilities of the IDC MarketScape.
- Vendors were also sent a survey to determine all the standard protocols they support and the industry standards that are available to customers out of the box. The results of the surveys were collated and analyzed to determine relative strengths of the vendors.

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

B2B gateway software is deployed on-premises and used to automate and monitor inter-enterprise exchange of data. At the heart of these platforms are onboarding, conversion, translation, and data exchange-related orchestration capabilities.

Additional features include:

- More generalized process automation
- Receipt and delivery of messages
- Connectivity software
- Business activity monitoring
- Reporting
- Development environment

There are strong similarities between B2B gateway platforms and other types of integration middleware. However, the strength of these platforms is in the embedded support of common standard industry models for electronic message exchange, such as electronic data interchange. In addition,

they are optimized to operate at the edge between two or more enterprises, including the ability to send acknowledgements to senders once a message is received.

LEARN MORE

Related Research

- *Axway Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250726, forthcoming)
- *EXTOL Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250727, forthcoming)
- *IBM Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250744, forthcoming)
- *Informatica Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250730, forthcoming)
- *OpenText GXS Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250731, forthcoming)
- *Oracle Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250728, forthcoming)
- *SEEBURGER Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250729, forthcoming)
- *Software AG Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250757, forthcoming)
- *TIBCO Profile for IDC MarketScape: Business-to-Business Integration Gateway Software* (IDC #250758, forthcoming)
- *BuyerPulse IDC MarketScape Criteria: Business-to-Business Gateway Software* (IDC #244732, December 2013)

Synopsis

This IDC study serves as a guide for short-listing the selection of B2Bi gateway software used for midlevel to highly sophisticated projects. There are several important elements that qualify B2Bi gateway software offerings for inclusion in this IDC MarketScape, including:

- B2Bi gateway software covers products that are used in projects rated as highly to moderately sophisticated. This was determined by a scoring model associated with complexity, based on our reference calls with customers and partners.
- The products, whether offered standalone or as a portfolio with supplemental products from the same vendor, demonstrated the ability to support standards- and nonstandards-based business-to-business transactions. The products were evaluated across six functional areas: onboarding, mapping, transformations, orchestration, troubleshooting, and visibility and reporting. Vendors also completed surveys about the protocols and verticals they support.

- The offerings are architecturally solid, supporting strategic investments that require reuse and scalability across an enterprise.

"Business-to-business integration (B2Bi) gateway requirements can range from simple, batch-oriented exchange of few types of trading documents between few trading partners to complicated, global platforms that are mission critical and real time," according to Chandana Gopal, research manager of BuyerPulse Analysis: Multi-Enterprise Integration. "Understanding the capabilities and supported standards of B2Bi gateway software is critical to the success of a B2Bi implementation."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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