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SWOT Assessment: IBM B2B Cloud Services

Analyzing the strengths, weaknesses, opportunities, and threats

Summary

Catalyst

IBM B2B Cloud Services comprise a comprehensive set of cloud-based B2B integration features and capabilities, which can be delivered on demand, as fully managed services, or under a hybrid management model. With IBM B2B Cloud Services, enterprises can meet a range of trading partner onboarding and management requirements, as well as improving reliability and performance of and control over multi-enterprise process automations.

Key messages

- IBM B2B Cloud Services is one of the most comprehensive cloud-based B2B integration services portfolios available in the market.
- IBM Partner Engagement Manager supports rapid trading partner onboarding.
- IBM helps mitigate data sovereignty and privacy issues with delivery via regional data centers and mechanisms to restrict data flow beyond host region.
- IBM has added/expanded features and capabilities across a range of areas, such as B2B analytics, trading partner onboarding and management, e-invoicing, data transformation, and product/module-specific APIs.

Ovum view

IBM can function as a strategic partner to help enterprises succeed with a transition to cloud-based B2B integration services. It can effectively support B2B integration modernization/transformation projects with comprehensive professional services based on several years of implementation experience that help reduce the risk, effort, and costs associated with a shift to cloud-based B2B integration services. IBM's offering is functionally rich in terms of core B2B integration features and capabilities, and delivery via regional data centers and support for rapid trading partner onboarding has significantly strengthened the competitive positioning of IBM B2B Cloud Services.

Recommendations for enterprises

Why consider IBM B2B Cloud Services?

Enterprises focusing on achieving greater agility to effectively meet trading partner and customer expectations and regulatory compliance mandates, as well as reducing the cost of ownership for B2B integration infrastructure, should consider IBM B2B Cloud Services. It is a good option for enterprises considering a shift from legacy electronic data interchange (EDI) platforms to cloud-based B2B integration services with the value proposition of flexible infrastructure provisions along with high availability, disaster recovery, and greater predictability of costs.Cloud-based B2B integration services under a managed services model deliver people, processes, and technical expertise with significant cost and performance advantages over internal approaches. Moreover, this approach will allow internal resources to focus on more strategic and higher priority initiatives.

SWOT analysis

Strengths

Comprehensive features and capabilities across key B2B integration pillars

IBM B2B Cloud Services offer extensive features and capabilities across a range of areas, including support for a wide range of EDI messaging standards and data transformations, managed file transfer, B2B service analytics, trading partner onboarding and management, process management, and realtime end-to-end visibility into B2B processes. IBM maintains an extensive network of pre-connected trading entities.

IBM Partner Engagement Manager, a software-as-a-service (SaaS) offering deployed on IBM SoftLayer infrastructure, supports rapid trading partner onboarding (via self-service capabilities and pre-built templates) and community management, as well as enabling monitoring of and visibility into workflow activities between sponsor enterprises and their partners and customers. According to the results of a recent Ovum B2B integration survey, sluggish trading partner onboarding remains a pain point and barrier to business growth. In this context, IBM Partner Engagement Manager is a key differentiator for IBM B2B Cloud Services and significantly reduces the time and effort involved in onboarding trading partners.

IBM B2B Cloud Services fit the bill for mission-critical B2B processes, and according to IBM, both IBM Sterling B2B Collaboration Network and IBM Sterling Integration Services offer high availability to the tune of 99.9x%.

Strong revenue growth in 2015

For 2015, IBM registered double-digit revenue growth for cloud-based B2B integration services delivered under a managed services model. EDI value-added network (VAN) consolidation and expansion of existing contracts to support higher transaction volumes were among the key drivers of revenue growth. This is an impressive performance considering the size of IBM's existing customer base, and indicates successful execution of sales and customer engagement and relationship management strategies.

Weaknesses

Clearer communication on specific requirements to set right customer expectations for B2B integration modernization/consolidation projects

This is more of an area for improvement rather than a weakness. Projects involving the migration of legacy EDI platforms to IBM B2B Cloud Services can be quite complex in cases where enterprises are unable to provide proper system and process flow documentation to simplify the migration of existing maps to IBM's cloud environment. IBM would benefit from clearer communication with customers on the expected time and effort required for the migration of legacy EDI platforms, after due consideration of available documentation and other resources. This would ensure that customers are aware well in advance of the time and cost imperatives for the migration of legacy EDI platforms to IBM B2B Cloud Services. However, it should be noted that IBM's customer engagement and relationship management model involving a dedicated B2B client success manager offers strategic support and guidance to align services delivery with customer-specific requirements, and IBM enjoys a high customer satisfaction rating for its B2B cloud services portfolio.

Opportunities

Global spend on cloud-based B2B integration services will continue to grow at a rapid rate

Ovum forecasts the global spend on cloud-based B2B integration services (including managed services) to grow at a compound annual growth rate (CAGR) of 17% between 2014 and 2019. We expect a major share (over 65%) of growth in this market to come from modernization initiatives, including migration and consolidation of legacy B2B/EDI integration platforms and processes onto cloud-based B2B integration services. Given IBM's competitive positioning and focus on executing an aggressive product roadmap, it is well placed to exploit this growing market opportunity.

Extension of B2B integration capabilities via APIs

With the rapid rise of digitalization, APIs are increasingly used as flexible interfaces enabling B2B e-commerce collaboration. Ovum has identified this as a key trend in the B2B integration space. While EDI remains the most robust approach to B2B integration, APIs are gaining ground thanks to the simplicity and flexibility of implementation and mobile-friendly nature. Enterprises can exploit APIs for developing capabilities that would be otherwise difficult to implement with an "EDI-only" approach. In particular, lightweight and developer-friendly representational state transfer (REST) APIs can support realtime (synchronous) B2B information exchange across a range of applications, devices, and networks. IBM has made good progress in terms of standardizing and exposing APIs across a range of key components of its B2B integration portfolio, and is working toward offering API tools delivering a rich developer user experience. Moreover, IBM offers a robust API management solution, which can be used to extend B2B integration capabilities to support complex hybrid integration and orchestration use cases.

Threats

Major cloud-based B2B integration services providers

Not many vendors can compete with the width and depth of features and capabilities delivered as part of IBM B2B Cloud Services. However, IBM will continue to face significant competition from its nearest competitors, particularly for deals involving enterprises that are not using IBM middleware on a substantial basis. Moreover, IBM will face competition from vendors that have a stronger local positioning in a particular country/region.

Data sheet

Key facts about the solution

Table 1: Data sheet: IBM

Product name	IBM B2B Cloud Services	Product classification	Cloud-based B2B integration services
Version number	n/a	Release date	n/a
Industries covered	All vertical industries	Geographies covered	Americas, Europe, and Asia-Pacific
Relevant company sizes	Large enterprises	Platforms supported	All platforms supporting an open communications protocol

			for connecting with IBM B2B Cloud Services
Languages supported	All	**Licensing options**	Monthly billing, with 1 to 4+ year terms
Deployment options	Cloud	**Routes to market**	Direct sales and with partners
URL	http://www-01.ibm.com/software/in/commerce/b2b/b2b-integration/cloud-services/	**Company headquarters**	Armonk, NY, US

Source: Ovum

Appendix

Methodology

Ovum SWOT Assessments are independent reviews carried out using Ovum's evaluation model for the relevant technology area, supported by conversations with vendors, users, and service providers of the solution concerned, and in-depth secondary research.

Further reading

2016 Trends to Watch: Integration and Middleware, IT0022-000566 (December 2015)

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We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

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