

IDC PERSPECTIVE

IBM Sterling Launch

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: IBM Sterling Launch

Earlier this month, IBM announced the launch of IBM Sterling, an integrated supply chain suite, embedded with Watson AI and IBM Blockchain and open to developers, to help organizations make their supply chains smarter and more efficient.

Key Takeaways

- The IBM Sterling Supply Chain Suite is built on IBM assets, including the Sterling B2B multi-enterprise network, Sterling Order Management, Sterling Inventory Management, IBM Watson, and IBM Blockchain.
- IBM Sterling is a secured, open platform with hybrid cloud support that enables organizations to both integrate their own data and networks and the data and networks of their suppliers and customers.
- The Sterling brand is a strong one to many, particularly those of us who have been around supply chains for a long time; but there is some risk that the name will be viewed by some as "old" and not conveying of the modern capability that underpins the IBM Sterling suite.

Recommended Actions

- The launch of the IBM Sterling Supply Chain Suite brings a credible offering to the market with the legacy capabilities of the IBM Sterling brand and the emerging capabilities of IBM Watson that is well worth a look for companies considering new tools for their supply chains.
- IBM Sterling is an intriguing combination that may prove to be attractive to a broad range of companies running complex supply chains either as the primary supply chain suite or as a complement to an existing suite.
- Even if your company is not considering a supply chain technology upgrade, it may still be worthwhile to engage with IBM to better understand how technologies such as AI and blockchain can be best deployed.

Source: IDC, 2019

SITUATION OVERVIEW

Earlier this month, IBM announced the launch of IBM Sterling, an "integrated supply chain suite, embedded with Watson artificial intelligence (AI) and IBM Blockchain and open to developers, to help organizations make their supply chains smarter, more efficient, and better able to make decisions to adjust to disruptions and opportunities in an era when globalization has made supplier networks more complex and vulnerable than ever." This supply chain suite is built on a number of IBM assets, including the Sterling B2B multi-enterprise network, Sterling Order Management, Sterling Inventory Management, IBM Watson, and IBM Blockchain. Branding as IBM Sterling certainly builds on two names with longer-term credibility in supply chain management circles.

A Network, Data-Centric Approach

There is no question that the successful supply chains of the future will be those that better leverage the massive amounts of data that is available to them. But it is not enough to just collect and analyze the data; those sources must be vetted and the data verified. Otherwise we end up with faster garbage in, faster garbage out. IBM has been among the early adopters of blockchain within its supply chain capabilities, a technology that IDC views as critical in this journey to data quality and credibility.

While we might all aspire to a supply chain world where everything is in the cloud, that reality is many years off. Not because cloud applications aren't competitive, but because many existing on-premises supply chain tools work just fine, and there's little impetus to replace them. A supply chain suite like IBM Sterling must be able to work seamlessly with both cloud and on-premises applications and tools. Given that IBM offers a variety of integration and data management capabilities, it will undoubtedly fulfill this mandate.

The idea of an open suite to external application developers is a fascinating one. At IDC, we've actually built this idea into one of our supply chain predictions for 2020, specifically that "by 2023, supply chain micro-application extensions will account for one-third of all new technology investments in supply chain in manufacturing and retail." A bold prediction perhaps, but as digital transformation progresses through the supply chain, two things seem immediately apparent. First, supply chain application "suites" are now the overwhelming choice for manufacturers – almost 50% either buy a suite or buy applications that are part of a suite that they will subsequently invest in over time. Second, supply chain "micro-applications" offered by ecosystems that surround these suites are becoming a significant source of innovation and a way to augment the base functionality of the supply chain suites. IBM gets this, and its IBM Sterling suite is a credible addition to the available tools in the supply chain market space.

As noted with the announced launch, "IBM is delivering a secured, open platform with hybrid cloud support that enables organizations to integrate their own data and networks – and the data and networks of their suppliers and customers – with the Sterling Supply Chain Suite. This flexibility enables enterprises to update and tailor their supply chain solutions to meet their unique business needs. The open architecture capabilities are strengthened by IBM's recent acquisition of Red Hat, the world's leading provider of enterprise open source solutions."

Challenges for IBM

The launch of IBM Sterling is not without its challenges. The Sterling brand is a strong one to many, particularly those of us who have been around supply chains for a long time; but there is some risk that the name will be viewed by some as "old" and not conveying of modern capability. Ultimately though,

the proverbial "proof will be in the pudding;" if IBM continues to extend imbuing the suite with modern and progressive capabilities, the name will carry it through. The other challenge is that the supply chain is a mature space, and there are a number of vendors promoting supply chain suites and associated capabilities, including the notion of an open developer-agnostic platform. Some of these competitors have a broader set of supply chain applications, others may have more developed multi-enterprise network capabilities, but none have the pedigree of Watson in the artificial intelligence sphere nor the early track record with blockchain. These are the things that will help make IBM Sterling a unique and differentiated offering.

ADVICE FOR THE TECHNOLOGY BUYER

The launch of the IBM Sterling Supply Chain Suite brings a credible offering to the market with the legacy capabilities of the IBM Sterling brand and the emerging capabilities of IBM Watson. It is an intriguing combination that may prove to be attractive to a broad range of companies running complex supply chains either as the primary supply chain suite or as a complement to an existing suite. Either way, IBM Sterling is well worth a look. Even if your company is not currently considering a supply chain technology upgrade, it may still be worthwhile to engage with IBM to better understand how technologies like artificial intelligence and blockchain can be effectively deployed.

LEARN MORE

Related Research

- *IDC FutureScape: Worldwide Supply Chain 2020 Predictions* (IDC #US45573518, October 2019)
- *Evolving from ERP to Network-Centric Supply Chain Applications* (IDC #US45282217, September 2019)
- *IDC MaturityScape Benchmark: Digitally Enabled Thinking Supply Chain in the United States, 2019* (IDC #US44930219, March 2019)
- *IDC MarketScape: Worldwide Multi-Enterprise Supply Chain Commerce Network 2018 Vendor Assessment* (IDC #US44514117, December 2018)
- *Oracle OpenWorld 2018* (IDC #US44449317, November 2018)

Synopsis

This IDC Perspective looks at the launch of the IBM Sterling Supply Chain Suite.

"The launch of the IBM Sterling Supply Chain Suite brings a credible offering to the market with the legacy capabilities of the IBM Sterling brand and the emerging capabilities of IBM Watson. It is an intriguing combination that may prove to be attractive to a broad range of companies running complex supply chains either as the primary supply chain suite or as a complement to an existing suite," says Simon Ellis, program VP for Supply Chain.

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