

Butler Group ▶
Analysis without compromise



Integration Technologies

Reducing Costs Through an Agile
Approach to Integration

June 2005

► BUTLER GROUP ENTERPRISE SERVICE BUS MARKET LIFECYCLE RATINGS

About Butler Group Market Lifecycle Ratings

Markets for information technologies typically develop in a predictable manner. New entrants will often create a market that is later pounced upon by large players in the industry. The market then tends to mature into a mixture of the most successful new entrants and the major vendors that have decided to participate. Butler Group's Market Lifecycle Ratings have been designed to reflect these dynamics, by grouping the likely performance of vendors through the three major market phases of early adoption, market adoption, and market maturity.

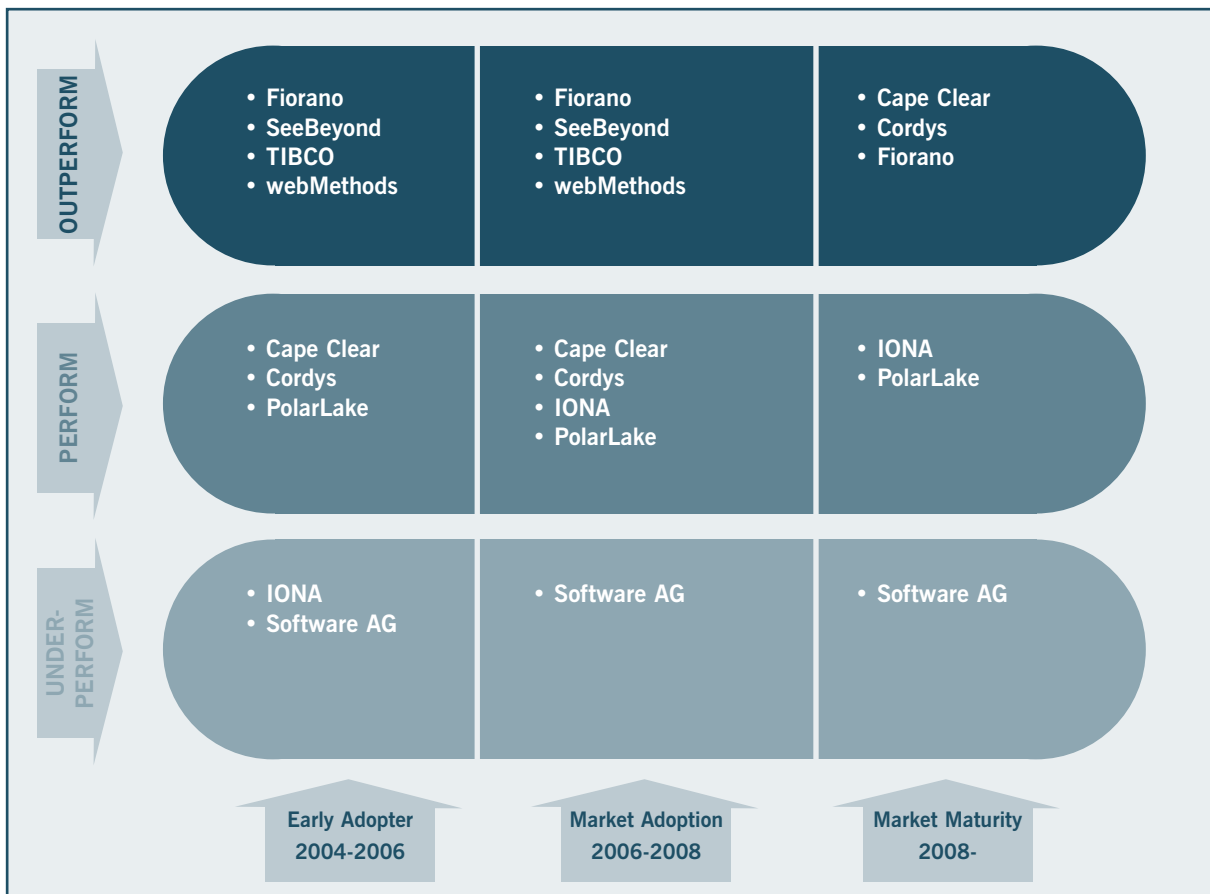
The Market Lifecycle Ratings diagram is a matrix that indicates the position of a vendor according to both functionality and its market presence. The vertical "Performance" groups reflect the success of the vendors and the relevant products in a particular market. This is not a financial measure, but a measure of the success of the technology in taking market share. A financial measure would have to take in to account financing, management skills, and economic conditions. Market performance, however, is more related to the marketing skills of the vendor, product positioning, timing, product excellence, and the success of the market.

The vertical axis is divided into three groups, with each making a specific statement about a vendor and its products. **Within each group, vendors are listed alphabetically, and the order and positioning of company names is not significant.**

- **Outperform:** The vendor has established a commanding market position with a product that is widely accepted as best-of-breed.
- **Perform:** The vendor has good market positioning and is marketing the product well. The product also offers competitive functionality and performance.
- **Under-perform:** The vendor has poor positioning, has exercised poor timing, and is failing to market effectively. The product may also be deficient or outside mainstream trends.

The horizontal axis is similarly divided into three groups, with each depicting a phase in the market lifecycle:

- **Early Adopter:** Represents the early phases of the market when a new technology, promoted by new entrants, is finding early adoption with innovative companies. This phase lasts between two and three years.
- **Market Adoption:** The phase when the majority of technology adoption takes place and typically lasts for two to four years.
- **Market Maturity:** After the market adoption phase the maturity phase represents a time when the market can be reshaped by vendor acquisitions, new product and concerted efforts to make an impact in a market. Microsoft's late entry into the relational database market is a good example of this.



The rationale behind this positioning is as follows:

Early Adopter (2004-2006)

The first thing that needs to be stated is the inclusion of the vendors relates to those who actively promote an Enterprise Service Bus (ESB). In the larger integration market there are many players who will influence the total market, but these are not included in this Section of the Report. This also has relevance as we come to consider the later positionings.

In the Outperform category we have placed Fiorano, SeeBeyond, TIBCO, and webMethods. We feel Fiorano's approach based on its Business Component Architecture will resonate well in a market that is beginning to consider the component model in a serious fashion. SeeBeyond has been a leader in the ESB space for some years now, and as such has created a strong market position along with proven technology. TIBCO is, of course, one of the market leaders in the EAI space, and the introduction of an ESB 'product' allows it to gain prominence in this detailed area as well. Finally in this category, webMethods has a good offering that extends past the ESB space and we feel this will find favour in the larger scale enterprise.

In the Perform category we have Cape Clear, Cordys, and PolarLake. Cape Clear is focused on getting its strong core functionality deployed quickly, while Cordys is a relative newcomer in this market. PolarLake is a good Java solution, but its 'denial' of Microsoft code base keeps it away from the higher category.

Both IONA and Software AG have problems in distinct areas, which in this timeframe anchors them in the Underperform category. Iona is a recent player in the ESB market and this is reflected in the lack of adapters. Software AG, on the other hand, relies on a strong partnership programme for both adapters and other high level process-based functionality. In a market that is attempting to reduce the number of possible touch points we feel this is a negative aspect that will hurt it.

Market Adoption (2006-2008)

In this period we feel the viability of the ESB 'product' will start to come under scrutiny. There will be enough mileage left to help vendors maintain a market presence, although the depth of functionality will be more of an issue. This is reflected in the relevant positioning of the vendors.

The four Outperformers from the Early Adopter phase will maintain position and IONA will have overcome some of its adapter issues to move comfortably into the Perform category. Again, unless there is a radical shift in strategy for Software AG, we feel this will hinder any further progress.

Within any Butler Group Market Lifecycle Rating there is always the issue of new contenders to consider. As we feel this market will effectively be a diminishing one (in pure-play terms), we cannot envisage any new entrants.

Market Maturity (2008-)

It is around this point that we believe the ESB will, to a large extent, be subsumed into larger integration platforms. This will leave Fiorano as the only vendor to maintain an Outperform status. In this space it will be joined by Cape Clear and Cordys, both of whom we feel will have the depth of technology along with an increased market position to become major players. TIBCO has disappeared completely as we feel it will no longer have an ESB product, but will move towards the larger integration space, with particular emphasis on process management. The other non-combatants, SeeBeyond and webMethods, will also have positioned themselves in a larger arena. SeeBeyond is already moving towards this, and like TIBCO, webMethods has a presence in this larger space.

IONA and PolarLake will retain market positioning and share, although the actual value of this market is likely to diminish.

This Report reveals:

- How a Service Oriented Architecture (SOA) can be utilised to create an agile enterprise.
- How the different Integration Technologies fit together to create an holistic approach.
- The role of an Enterprise Service Bus (ESB) within the technology infrastructure.
- How integration costs can be reduced by understanding service-centric operations.
- Where Web services fit into the SOA model – the similarities and differences.
- The continuing role of host systems and how their power can be leveraged.
- How security has to be managed in a highly distributed environment.
- The importance of process and integration models in building the infrastructure.

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